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NEWS SUMMARY

GENERAL

...rael ...jects ...ypt's ...ans

...ahem Begin, Israel's ...inister, has rejected ...atest proposals for re... the deadlock on the ...lks amid signs of a ... split in the Israeli ...

...s now closer to an open ...tion with the U.S. over ...al issue of its settle... the occupied territories. ...ile, Egypt has with... the special privileges ...y Palestinians living in ...ry. Syria has refused ... Mr. Alfred Atherton, ...ler-Secretary of State, ...s ongoing shuttle in the ...ast. Back and Page 3

... warns Front

...yn Rees, Home Secre... ...ed the National Front ...eating disturbances in ...coming by-election at ...Central, which includes ... He told the Commons ...as taking threats made ...ront during the Ilford ...mpaign "very seriously," ...ot propose any changes ...blic Order Act. Back ...8

...a's score

...ira Congress Party ...scored its second State ...two days in Andhra ... re-establishing Mrs. ...India's former Prime ... as a major political ...e 3.

...kwe dies

...rt Sobukwe, 53, the ... leader of South ...banned Pan African ...has died after being ill ...with cancer. Emigrants ...new settlers in South ...st year for the first ...any years. Page 3

...00 fraud

...gh College's domestic ...rs. Elsie Peacey, was ...or three years at ...and her husband and ... Mr. Richard Peacey, ...months, when they ...defrauding the school ...by charging for non... ...chickens and eggs.

...d mastered

...ber of civil servants, ...ached a record 747,600 ... 1976 after rising by ...a year, fell by 8,200 to ... the year to January 1, ... lowest level since ...1975. Page 6

...nes accused

... International claims ... martial law regime in ...sh has executed 129 ... personnel and killed ...undred prisoners, some ...trial. Tunisia has been ...by the International ...ation of Free Trade ...f jailing more than 100 ...aders in breach of Inter... Labour Organisation ...ons.

...s bound over

...ths were bound over at ...Bailey after a fight at an ...ndon temple over who ...e its next president in ... knuckledusters and a ...bat were used.

...ly ...

...erman police dragged ... students from their ...s embassy in East Berlin, ... in protest at the Shah's ...

...ouths were remanded in ...at Norwich, charged with ...an affray on Friday. Two ... aged 16, were granted ...

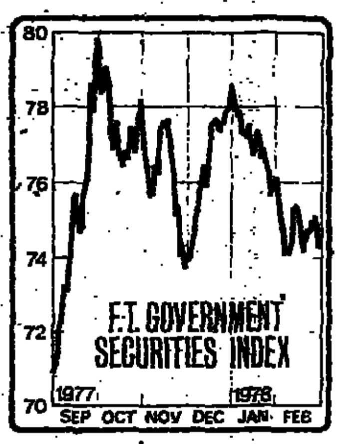
...k: Thirty people were ...when a boiler exploded at ...mill.

...—FA Cup, 5th round re... ...lyth Spartans 1, Wrexham ...ea 1, Orient 2, Nottingham ...1, Queen's Park Rangers 1 ...(extra-time). 5th round: ...brough 2, Bolton 0.

BUSINESS

Equities off 2.4; Wall St. lower

● GILTS came under pressure as doubts about economic prospects undermined stock market sentiment, but prices later regained some ground. Short gilts, in particular, staged a good recovery, which continued after the official close of trading. The FT Government Securities Index registered a fall of 0.51 to 74.20.



● EQUITIES steadily recovered from their initial weakness. The FT 30-Share Index, down 7.4 at 10 a.m., closed at 441.8, off 2.4 on the day. Pressure to change London's trading system, Page 18

● STERLING gained 20 points against the dollar to $1.9320, but its trade-weighted index fell to 65.3 (65.5). The dollar's trade-weighted depreciation widened to 5.09 (4.95) per cent. Floating exchange rate system criticised, Page 6

● *GOLD rose 75c to $181.125.*

● WALL STREET fell 7.89 to *748.35 on concern over inflation.* Sharp rise in U.S. consumer prices, page 4

● U.S. TREASURY Bill rates at the weekly auction: threes 6.429 (6.460), sixes 6.709 (6.755) per cent.

● JAPAN may make some new trade concessions in further talks with the EEC. Page 4

Shell may cut refinery output

● ROYAL DUTCH/SHELL is considering cutting the operating capacity of its big Pernis refinery in Rotterdam by nearly two-thirds. BP announced a few days ago that it would close its Rotterdam refinery for at least two *months.* Back Page. Some North Sea oilfields may be left undeveloped because of rising costs and a drop, in real terms, in oil prices. Page 6

● COURTAULDS director, Mr. Richard Morris, is to become deputy chairman of the National Enterprise Board. He has been *seconded* by the company for four years. Page 5

● INDUSTRY Secretary, Mr. Eric Varley, came under strong criticism in the Commons after he disclosed that the Government *was preparing* to provide further substantial sums to British Steel and Leyland. Back and Page 8. Unions condemn steel hysteria, Page 7

● LEYLAND will build a £17m. plant at Chorley, Lancashire, to centralise its truck and bus parts operations. Page 6. Shop *stewards* will urge Leyland manual workers to reject the company's new incentive scheme. Page 7. The Japanese Government may monitor car exports to the U.K. Page 4. Chrysler's problems Page 24

● MASSEY FERGUSON will halt production and lay off nearly 4,800 workers at its Coventry plants during Easter week. Page 6

● NEGOTIATIONS for a new national pay agreement for the engineering industry have *broken down.* Back Page

...F PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

... Trust	71	+ 1½
...ham Pallet	83	+ 7
...rcial Union	143	+ 5
...	353	+ 8
...l Accident	206	+ 4
...rt Irish	58½	+ 13½
... Shanghai Bk.	266	+ 9
...a Sugar	14	+ 4½
...es Sims	140	+ 7
...tinental	825	+ 50
...ntein	£23¼	+ ¾

FALLS

...ry 13% 1990	£109½	− ½
...ry 10½% 1999	£90¾	− ¾
... Dairies	208	− 7
... Nickolls	89	− 6
Costain (R.)	240	− 8
Daily Mail A	278	− 7
Douglas (Robert M.)	89½	− 5½
Evode	68	− 4
Finlay (J.)	260	− 13
Gill & Duffus	190	− 10
Hambros	160	− 8
Ladbroke	162	− 5
Muirhead	162	− 6
Ratners (Jewellers)	87	− 8
Reckitt & Colman	396	− 10
Rowntree Mackintosh	345	− 7
Samuel (H.) A	237	− 11
Savoy A	66	− 4
Taylor Woodrow	346	− 6
Thomson Org.	186	− 4
Trust Houses Forte	160	− 6
Vosper	150	− 10
Walker (J.)	64	− 6
Siebens (U.K.)	244	− 14
St. Helena	776	− 21

Job creation plan may include short-time subsidy

BY GUY DE JONQUIERES AND CHRISTIAN TYLER

A subsidy for short-time working could form part of a Government package of further spending on job creation and protection expected to be unveiled within the next two weeks, well before the April 11 Budget.

The new scheme would replace partially or totally the current Temporary Employment Subsidy and could end the row between Britain and its EEC partners over what other Common Market countries see as an illegal subsidy for certain industries.

Employees on short-time working would be subsidised by having their pay made up to that for a full week's work. The present arrangement subsidises the employer and thus, it is claimed, the output of inefficient factories.

The scheme would be aimed particularly at the textiles, clothing and footwear sectors, at the centre of the dispute with the EEC. But it has to overcome opposition from the TUC, thought to be concerned that the qualifying procedures would be too complicated and anxious that the Government does not give in to EEC pressure.

It is believed that the differences between the Government and the EEC Commission on job protection have narrowed significantly following a visit to Brussels by Mr. Albert Booth, the Employment Secretary.

Commission officials suggested that enough progress had been made for Mr. Booth to present the outlines of a possible settlement to his Cabinet colleagues and the two sides of industry during the next few days.

British officials were more *cautious, emphasising that some* points were unsettled and that further negotiations would be needed. But the U.K. has told the Commission that it would like a final resolution by March 15, so that the new scheme could be introduced from April 1.

The U.K., which submitted its *proposals for the new subsidy* plan at the start of this month, is believed to have indicated that it is ready in principle to accept at least two of the Commission's main demands. These are that Brussels should be told in advance of subsidies to be paid to firms with more than 50 employees and that any firm benefiting from the scheme for more than six months must submit a reorganisation plan.

Other Governments will be consulted directly at a meeting to-morrow, when the U.K. and *the Commision will present their* arguments concerning the shape of the proposed new scheme. *It will then be up to the* Commission to decide whether an acceptable settlement can be reached or whether to take Britain to court for violation of the Rome treaty.

While this decision rests with the Commission, it cannot ignore reactions of other governments. Ireland, in particular, has taken a hard line against the Temporary Employment Subsidy and has included in its draft budget plans for a £5 per head subsidy for textile, clothing and footwear workers to counter the *British* scheme.

In Britain, the thinking is that *the Bill for extending employment* subsidies will have become law by the end of March, by which time the Government hopes to have reached a compromise agreement with the Commission.

Other subsidies whose life could be extended after March 31 are the early retirement or "job release" scheme and the small firms employment subsidy.

The TUC, as well as insisting *that the Temporary Employment* Subsidy be left untouched, is asking that the job release *scheme apply for two years* before statutory retirement age instead of one and that the small *firms subsidy be widened to* cover all manufacturing in all areas of the country.

Railways and unions meet to-day in strike peace bid

BY NICK GARNETT, LABOUR STAFF

OFFICIALS of the three rail unions and British Rail are expected to meet to-day in a last effort to prevent the series of one-day train drivers' strikes, the first of which is due at midnight to-night.

ASLEF, the drivers' union, has agreed to modified peace proposals based on an inquiry, and is prepared to "suspend" the strike providing the National Union of Railwaymen also agrees to the inquiry.

The proposal involves the *unions referring to a tribunal* the circumstances leading to the dispute between ASLEF and British Rail, and the means of sorting it out.

Mr. Sid Weighell, NUR general *secretary,* said last night that it was by no means certain that his executive, due to discuss the situation before the joint union meeting, will agree to the inquiry's terms of reference.

His union might wish to put forward different proposals, and he was not optimistic about a solution.

The dispute has been caused by a British Rail agreement to pay "commissions" to NUR guards who collect fares, an agreement which ASLEF says breaches the industry's 1974 pay-restructuring arrangements.

The NUR reaffirmed last night that it would agree to an inquiry only providing the strike threat was removed and there was a firm commitment to honour the pay-train agreement.

The actual wording of the peace proposal appears to leave some element of doubt on both NUR conditions.

Mr. Weighell said there could be some tough talking ahead, and to-day might prove "long and rough." British Rail said it would consider the position.

Mr. Len Murray, the TUC general secretary, again acted as an intermediary between the two unions, holding talks with both the ASLEF executive and NUR officials.

He said last night that he expected the unions to meet to-day at TUC headquarters. The situation was "very difficult."

The dispute has been threatening the course of talks on a new pay and productivity deal for the railways.

Both NUR and Transport and Salaried Staffs Association have written to ASLEF protesting about the lastminute cancellation by ASLEF of last Thursday's meeting of the Railways Staff National Council.

Mr. Tom Jenkins, general secretary of the TSSA, took a "serious objection" to the cancellation. It made "a farce" of *the joint negotiating* machinery.

News Analysis, Page 7

Commercial Union's U.S. profit

BY ERIC SHORT

COMMERCIAL UNION Assurance, one of the largest general insurance groups in the U.K., reported yesterday a return to underwriting profitability in the U.S. last year, after three years of substantial losses, and an overall underwriting profit in the *final quarter of £70,000*

The group experienced record losses in 1975 of £75m. in the U.S., its largest territorial account.

As a result it took drastic corrective action, closing agencies, reducing staff and eventually replacing its chief executive, Mr. Gordon Dunlop, by Mr. Jack Emms. The directors refused to disclose the amount paid to Mr. Dunlop, but it will be given in the accounts due to be published on March 23.

The 1976 account reflected the first results of this action with losses reduced to £26.8m. Last year saw further benefits which together with the improved operating conditions generally for U.S. insurance brought a profit of £3.3m., the best for the U.S. since 1972.

Mr. Emms said yesterday that the underlying trend in results over the year showed a steady improvement in operating ratios, which for the whole year reached 98.2 per cent.

The CU's performance went ahead of the industry average in the third and fourth quarters after lagging behind in the first half of the year.

This turnround in the U.S. was the dominating factor in worldwide underwriting losses being cut by two-thirds in 1977 to £20.9m. from £59.8m. in 1976.

Investment income improved only marginally in sterling terms to £127.7m. because of the strengthening of sterling, but life profits were nearly double, with good results from the Dutch subsidiary Delta Lloyd and a marked increased contribution from the *Northern Life account,* now closed to new business.

Overall pre-tax profits and earnings of CU doubled to £99.8m. and £67.6m. respectively.

The problem area in general *insurance last year was Holland,* with an underwriting loss of £15.6m. against £8.1m. in 1976. *Mr Emms attributed this to a* lack of discipline in rate-fixing.

Dutch authorities were reluctant to grant adequate increases and there was intense competition. Rate increases in the autumn and in January should alleviate the position this year.

Mr. Emms expressed optimism for results this year, though he *warned of difficult conditions in* Australia.

Motor experience in the U.K. had deteriorated over the final quarter of 1977, and an increase in premiums was foreshadowed. The market was pleased with the results, which were better than expected, and the share price closed 5p higher at 143p.

Details Page 21. Lex Back Page

CONTENTS OF TO-DAY'S ISSUE

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Plan for recovery by Reed Paper

By Nicholas Colchester

REED PAPER, the Canadian subsidiary of Reed International, yesterday announced measures to eliminate its problems. The company announced *extraordinary losses* of $C46.2m. (£21.5m.) for last year, on top of an operating loss of $C20m. It outlined the main elements of a recovery programme.

The losses confirmed the market's worst fears after a period of intense speculation about Reed's Canadian problems. In the wake of the figures—and after a lunchtime meeting between management *and some of Reed's institutional* shareholders — Reed International share price went up 4p to close at 109p, a rise of 2p over the day.

The extraordinary charge included losses of $C21.1m. on the sale or closure of operations which Reed Paper is to discontinue as part of the recovery programme.

There was a further loss of $C16.3m. on businesses which the company plans to continue but on which goodwill has been written off.

There is a general provision of $C10m. to cover possible losses on marginal operations *which Reed is attempting to* turn round.

The operating loss was in line with Reed's earlier forecasts. The main elements in the deficit were losses at Dryden pulp mill, another loss-making year for the decorative products division, losses in the packaging and containerboard business and the considerable cost of the company's debt.

The key to Reed's recovery programme is a decision to sell businesses with sales last year of $C51.4m., which generated losses totalling $C6.3m. The company has announced the name of only one of these *interests — Reed National* Drapery, a decorative fabrics company. The sale of the rest is being negotiated.

Reed has attempted to put its continuing businesses in order. Corporate overhead costs have been reduced by $C3m. a year, partly by cutting Reed Paper's corporate office staff by 50 per cent. over the year. Rigorous financial controls have helped bring *about a positive cash flow in* the fourth quarter.

The management has decentralised authority into the operating divisions

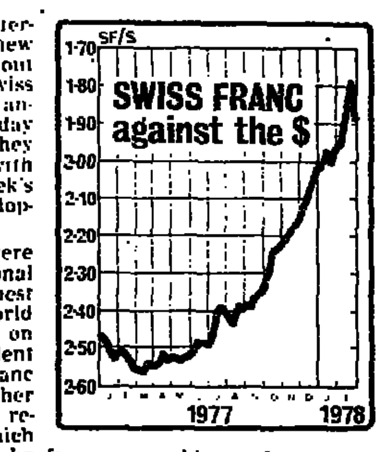
News Analysis Page 23
Lex Back Page

...£ in New York

Swiss harden moves to bar foreign funds

BY JOHN WICKS IN BERNE AND MARY CAMPBELL IN LONDON

THE SWISS authorities yesterday announced a tough, new package of measures to keep out foreign funds. The Swiss National Bank had already announced some moves last Friday but decided at the week-end they were insufficient to cope with what it regards as last week's "completely unrealistic development *in the exchange rate.*"



Yesterday's measures were described by one senior National *Bank official as the toughest* barrieres since the second world war. They include a ban on purchases by non-resident foreigners of all Swiss franc domestic securities — whether shares or bonds—and the reintroduction of limits (of which the details still have to be determined) on foreign purchases of Swiss franc bond issues by foreign borrowers.

As a result of the announcement, the Swiss franc fell sharply on the foreign exchange markets. The rate for the U.S. dollar rose to Sw.Frs.1.9025 and though it fell back later, the closing rate of Sw.Frs.1.8900 was higher than has been seen *for* more than a week.

Before the announcement of the measures the dollar had fallen back to Sw Frs.1.8225 from Friday's close of Sw Frs.1.8550.

In a move aimed particularly to cut back inflows of French *francs the measures also include* a limit of Sw.Frs.20,000 per person per quarter on imports of *banknotes into Switzerland.* A similar ruling was in force for a year from April, 1976, but *then it was aimed primarily at* countering a flow of lire into the country.

In order to increase the Swiss National Bank's capacity to intervene in the foreign exchange market, particularly in order to influence the Euro-Swiss franc interest rate levels, the limit on forward foreign exchange transactions by the Swiss National Bank has been raised from three months to two years.

The Finance Ministry said yesterday that the ban on *foreign purchases of Swiss* domestic securities was necessary to counter the sharp rise which would have resulted from the tighter restrictions on foreign bank deposits announced last Friday.

Foreigners are not thought to have been substantial purchasers of such issues recently since the shortage of issues on offer has meant that domestic investors have taken up most of the *available paper.*

However, foreigners are substantial holders of Swiss franc domestic securities, particularly shares. It was not clear last night whether the new measures would effectively ban foreigners from switching from one security into another as well as from increasing their net holding.

The lack of new paper on offer in the domestic market is likely to mean that a limit on foreign purchases of Swiss franc denominated issues by foreign borrowers, provided it was not too stringent, would not *for the time being at least* reduce foreigners capacity to borrow on this market. Swiss *franc bond issues—and more* importantly private placements —have been an important source of capital for international borrowers recently.

Foreigners raised $680m. on this market in the first six weeks of this year ($360m as bonds and $320m. in private placements). In 1977 as a whole the amount raised was $4.7bn.

On the last occasion when quotas were in force, 65 per cent. *of issues by foreign borrowers* had to be sold to Swiss residents with 35 per cent. available to *foreign investors.*

To some extent the Swiss National Bank is restricted in *the limits in which it can apply* since unless foreign issues continue strongly the large volumes *of older issues which are maturing* will swell the inflows into the Swiss franc.

Yesterday's Finance Ministry communique says that both Government and monetary authorities are convinced of the importance of increased international co-operation in the monetary sector.

In a separate development, the Federal Council at its meeting yesterday passed a Bill for *the revision of the law governing* the operations of the National Bank. This draft legislation, which will now go before Parliament, would allow the National Bank to levy minimum reserves on commercial banks' deposits and their growth.

Amongst other provisions, the new law would extend the *central bank's power to buy and sell* securities.

Editorial comment Page 18

EUROPEAN NEWS

Crucial decision for Italy's Christian Democrat party

BY DOMINICK J. COYLE

ROME, Feb. 27.

DEPUTIES and Senators of Italy's long-ruling Christian Democrat party went into special joint session here to-night for what one senior member described privately as the most important meeting in the party's history. At issue is the question of whether to accept the Communist Party in a new Parliamentary majority.

The Communists, Italy's second largest party, was supported by more than one in three voters in the last general election. They insist that the price of their backing for a new minority Christian Democrat Administration is their inclusion in the governing majority, though they would not be represented in a new cabinet as such.

The alternative, after six weeks without a government and against a background of escalating violence in many cities, would appear to be new elections. On the basis of recent opinion polls, these might not alter radically the present Parliamentary arithmetic, which gives no single party an overall majority.

This evening's meeting will continue into to-morrow and is to be followed by a meeting of the Christian Democrats' central committee. Many Christian Democrat backbenchers are resisting strongly a deal involving a formalised Parliamentary alliance with the Communists for the first time in 30 years.

Sig. Giulio Andreotti, the Prime Minister-designate, has already reached a measure of all-party agreement on a new economic programme for Italy. But the Communists refuse to confirm their commitment to this outline package until they are satisfied that political concessions will be forthcoming from the Christian Democrats.

Communications dispute may affect Irish posts

BY GILES MERRITT

DUBLIN, Feb. 27.

IRELAND'S telephones and Telex dispute entered its fourth week to-day amid threats of more disruptive strike action than before and reports that postal services will also be affected.

During the past 10 days, telecommunications links have been restored to an estimated 80 per cent. of normal efficiency by the Department of Posts and Telegraph's managerial personnel. But with the deadlock between the Department and the striking technicians still unresolved, the latter are understood to be widening their action.

A call for peace talks by the Irish Post Office Engineering Union (IPOEU) was to-day ignored by Mr. Padraig Faulkner, the Minister for Post and Telegraphs, who is insisting on a return to work by all technicians before negotiations can begin. In answer to walk-outs this morning by technicians at a number of telecommunications centres, the Department suspended a further 100 men, bringing to 1,200 the number of engineers and technicians now under suspension. That total represents about a fifth of the IPOEU's membership and the conflict appears to have hardened into a bitter confrontation between the Fianna Fail Government and the technicians, in which the original dispute over new work rules has been lost from sight.

Mobil rebuked over North Sea oil platform fire

BY FAY GJESTER

OSLO, Feb. 27.

MOBIL, operating company on the North Sea Statfjord field, where five men died in a platform fire at the week-end, has been sharply rebuked by Stavanger's chief of police for failing to give immediate warning of the accident to Norwegian authorities.

Mobil officials did not contact the emergency rescue centre at Sola Airport, near Stavanger, until two hours after the fire broke out—a clear violation of the rule which states that the centre must be informed of North Sea accidents immediately, and before anyone else.

An alert operator at the centre had by that time already learned of the fire—from overhearing radio conversations — and reported it to the oil directorate, the police, and Statoil, the state oil company.

"An accident in the North Sea is not the private business of the oil company concerned," Oscar Franck, the police chief, commented. "It is for the Norwegian authorities to decide what assistance is needed—not the company alone."

Mr. Franck, a member of the inquiry commission into the Bravo blow-out, recalled that the centre had not been told immediately about that accident either. "With a North Sea accident, an hour is an ocean of time, and may mean life or death for many people," he pointed out.

The five men who died on the Statfjord platform were working in one of its high-risk areas—deep down in one of the three concrete supporting pillars.

In the event, the fire was discovered purely by chance—by an off-duty worker taking exercise on the stairs near the top of the shaft. Spotting flames and smoke, he alerted the platform's fire-fighters, but it was two hours before they could subdue the blaze sufficiently to reach the trapped men—by this time dead from lack of oxygen.

It is not yet clear whether the accident will still further delay the start-up of production from the giant Statfjord field, at present scheduled for late 1979. Construction of the field's first platform—the largest offshore production installation anywhere in the world—has been plagued by delays and soaring costs.

Installation work on the platform was continuing normally today, except in the fire-damaged area. But union officials have urged that no further welding should be allowed in the shafts until the cause of the fire has been discovered.

No Greenland drilling this year

BY HILARY BARNES

COPENHAGEN, Feb. 27.

THERE WILL be no drilling for oil and natural gas off the west coast of Greenland in 1978. The Ministry for Greenland has so far received no applications from concession holders for drilling this summer which, in practice, rules out any drilling this year, according to Ministry sources.

The first exploration wells off the west coast were sunk in 1976 and 1977, but the results were disappointing. Although there is no basis so far for concluding that the oil companies have definitively abandoned the search for oil and gas off West Greenland, the optimism with which they started the search has, as sources put it, evaporated.

Danish PM denies French poll intervention

Prime Minister Anker Joergensen yesterday issued a statement denying that he intervened in the French election campaign or had any intention of doing so, Hilary Barnes writes from Copenhagen. The French Government has protested against a statement about M. Francois Mitterand made by Mr. Joergensen at a Press conference at the National Press Club in Washington last week. But Mr. Joergensen said he denied Press reports that he had said he expected M. Mitterand to win the election and said he had been misinterpreted.

● Danish consumer prices rose by less than 0.5 per cent. during January, the Government's Bureau of Statistics said on Monday, A.P.-D.J. adds. The Bureau's index—1964 equals 100—for January was 292.7 against 291.6 for December, a rise of 0.4 per cent. The January index compared with 259.9 for January 1977, meaning that consumer prices rose by 12.6 per cent. over the past year, the Bureau said.

● Denmark was declared a smokeless nation yesterday—a 24-hour anti-nicotine exercise estimated to cost 15m. kroner ($2.63m.) in lost taxes, Reuter reports. The Tax Minister, Mr. Jens Kampmann—a pipe and cigar smoker—is an ardent supporter of the campaign launched by the Danish Society for the Prevention of Cancer. Millions of pamphlets on the dangers of smoking have been circulated and smokers have been urged to send the cash they would have spent on tobacco to the society.

Spanish steel demo

More than 100,000 workers from the Northern Asturias mining region demonstrated here yesterday in an attempt to persuade the Government not to close down steel factories as part of its plan to streamline the troubled industry, Reuter reports from Madrid. A reduction in domestic demand and tightening up of anti-dumping laws in Spain's main export markets—the U.S. and the European Common Market—have plunged the steel industry into crisis.

Meanwhile, Mr. Christopher van der Klaauw arrived in Madrid last night on a two-day official visit, the first by a Dutch Foreign Minister since the 1936-39 Spanish Civil War.

Dissidents in hospital

A group of Soviet workers who formed an independent trade union to defend their rights said yesterday that two members had been sent to psychiatric hospitals while their founder and four others were missing, presumed detained, Reuter reports from Moscow.

Spain's bishops meet

Spain's Roman Catholic bishops met yesterday to elect a new President to lead the church through a difficult period of reduced privileges, Reuter reports from Madrid. Cardinal Vicente Enrique Tarancon, Archbishop of Madrid and President of the Episcopal Conference since 1971, told the bishops the approval of a new draft Spanish Constitution in the next few months would usher in an important era for the Church.

GM deadlock

A strike at the U.S.-owned General Motors plant in Strasbourg has entered its seventh day after management-union talks broke down. A company spokesman said a meeting called this morning ended in total failure, Reuter reports from Strasbourg. The dispute at the plant, which makes automatic gearboxes, began last Tuesday when some 800 of the 2,000 workforce walked out to support demands for 30-minute snacks breaks and shorter working shifts.

EEC coal output

Coal production in the European Community declined 20.3 per cent. in January from December but was up 0.9 per cent. from a year ago. Commission figures published on Monday showed, AP-DJ reports from Brussels. January coal production totalled 18,340,000 metric tons down from 23,014,000 tons in December and up slightly from 18,171,000 tons in January 1977.

THE BATTLE FOR LILLE

Depression in the Socialist heartland

BY DAVID CURR

PIERRE MAUROY was allowed to join the Socialists as a reward for passing his Baccalaureat. His first memories of socialism were of Sundays, when the women went to church and the men of the village of Cartignies used to parade in the square singing the Internationale.

He still frequently makes the 70 km. trip "south" from Lille to his native village near the run-down Usinor steel complex of Valenciennes. But his fief has grown in those 30 years. For Mauroy a large, chunky man, round-faced behind almost square spectacles, is Mayor of Lille, President of the Regional Council, MP for part of the city and the second man in the French Socialist Party.

French politics is vertically integrated: the traditional combination is Mayor, MP and Minister. In a political world where local power bases count, particularly in the Socialist Party with its heterogeneous origins, Pierre Mauroy ranks with Gaston Deferre in Marseille as one of the biggest barons in the party.

Mauroy is a political generation younger than Deferre. His years as a young socialist leader pushed him into the party hierarchy and, at 49, he is the party's organisation man. But his great talent is for human contact rather than the assimilation of dossiers. His closest aides are reconciled to the fact that he will always be better in the bistro than on the box.

There are 4m. people in the two departments Nord and Pas de Calais which form the region. The Lille urban community counts 1m. people divided into no fewer than 87 local government units while his personal domaine of Lille itself numbers only 190,000 inhabitants.

The region is suffering. Coal, steel, textiles — each has known or is in the throes of crisis. The unemployment rate is two points above the national average, and it is reckoned that some 70 per cent. of the workforce has no educational qualification of any sort.

It is a region with its own identity, quite apart from the characteristics stamped on it by the industrial revolution. Lille has been Flemish longer than it has been French and the steep pitch of the roofs, the contours of the facades and the stepped profile of the gables betray the city's Flemish and Burgundian affiliations.

But above all Lille and its hinterland is the Socialist heartland of France. Based on the coal industry, Socialists have ruled this area for 60 years.

It is a moderate, social democrat tradition. The Socialists here are traditionally anti-Communist. Their loyalties go back to the pre-war Socialism of Leon Blum, to the French section of the Workers International from which Mauroy emerged.

THE FRENCH ELECTIONS

The Socialist predominance does not extend to the region as a whole. The Socialist fiefs lie in a great arc around the city of Lille itself. If departmental seats numbers one and three, both in Lille, are held for the Government, then the rest of the conglomeration is solidly Socialist.

The second big band of Socialist territory is in the south of the region south of the Communist territories around Valenciennes. Of the 37 seats in the region, the Socialists hold 16.

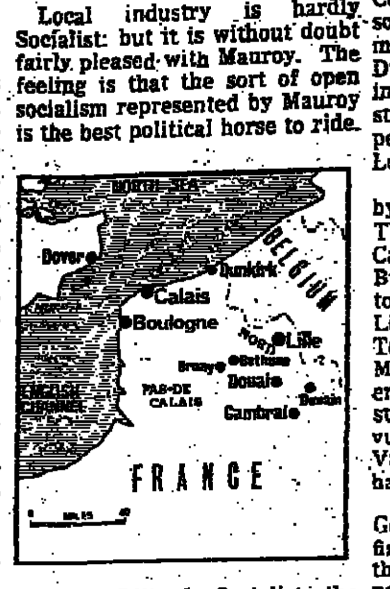
The Mairie of Lille—a 1920s monument of concrete and red brick—looks like an uneasy compromise between a railway station and a highlands hotel. Squat, it is surmounted by a slender tower topped by a belfry which inescapably gives it the air of a wallowing diplodocus.

The town council is Socialist, Communist and Independent. Mauroy is the man of unity who has supported faithfully the strategy of Union of the Left espoused by Francois Mitterrand, the Socialist leader. At last year's local elections he headed a union list which brought, for the first time, Communists into the town hall.

But, characteristically, he also invited the Independents (non-Socialists to a man) who are linked with industry and business, to continue their alliance with him to run the city. As a result, seven Independents joined 13 Communists and four Radicals of the Left on the Mauroy list of 49—a list which comfortably beat the Gaullist-led Conservative coalition.

Since then the Communists have lain fairly low. "They do nothing but read out speeches written for them in advance," grunted one councillor contemptuously.

Local industry is hardly Socialist: but it is without doubt fairly pleased with Mauroy. The feeling is that the sort of open socialism represented by Mauroy is the best political horse to ride.



But if Lille is Socialist, the region as a whole is far from Socialist dominated. The steelworkers have gone heavily Communist, at least in the old steel centres of the industrial revolution. Douai, Denain, Bethune, Bruay, the coal and metals belt, are Communist strongholds around the big traditional steel centre of Valenciennes, and they lack only the last Gaullist outpost of north Valenciennes and [...] hinterland.

Outside this belt Calais [...] Communist and so is the regi[...] south of Boulogne. The Gover[...]ment hangs on precariously [...] Dunkirk itself but its surroun[d]ing area, with the new coast[al] steelworks of Usinor, threate[ns] permanently to engulf it for t[he] Left.

The Gaullists in the region a[re] by tradition liberal and secul[ar]. Their basic strength is in t[he] Catholic, Flemish countrysid[e]. But they are fighting to hold [on] to their urban seats. T[he] Lille seat held by the Posts a[nd] Telecommunications Minis[ter], M. Norbert Segard, looks sa[fe] enough, but the Tourcoing co[n]stituency and Lille No. 3 a[re] vulnerable, and Cambrai a[nd] Valenciennes could chang[e] hands.

Defending nine seats, t[he] Government faces a diffic[ult] fight in no fewer than six [of] them, a fight complicated by t[he] personal rivalries which ha[ve] erupted in some constituenci[es] and the uneasy relations betwe[en] the Gaullists and the Centrists.

The tradition of the region [is] for bitter hostility betwe[en] Socialists and Communists. Wh[ile] the break-up in the Union of t[he] Left has not provoked spe[c]tacular quarrels in the regi[on] this is mainly because both si[des] regard it as being a return t[o a] more natural situation. It [is] universally expected that t[he] Left will have difficul[ty] consolidating the Socialist a[nd] Communist vote at the seco[nd] round even if the parties co[me] to an agreement at national lev[el].

As for Pierre Mauroy—a c[er]tain minister if the Left form[s a] government and often tipped [as] Minister of the Interior—[his] own election presents [no] problem.

He faces nine challeng[ers] including candidates for Worke[rs'] Struggle, the Workers a[nd] Peasants Union for Proletari[an] Democracy, and Trotskyites, [to] say nothing of Gaullists a[nd] Centrists.

Perhaps the most intriguing [is] that of M. Jean-Pascal Gre[...] standing in the name of "[...] Right to Idleness." M. Gre[...] hopes to collect no votes at a[ll]; after all, for his supporters [to] make the effort to go to the po[lls] would betray the pristi[ne] integrity of his cause.

Parties vie over minimum wage increase

BY OUR OWN CORRESPONDENT

PARIS, Feb. 27.

THE FRENCH election battle has begun to focus on the left-wing pledge to increase the minimum wage by about 37 per cent. to Frs.2,400 a month immediately they come to power.

The magic figure of Frs.2,400 was proposed by the Communists. The Socialists at first stuck at Frs.2,200, saying it would be economically disastrous to go higher, although they went higher nonetheless in order not to be outbid by the Communists.

M. Raymond Barre, the Prime Minister, has launched a furious attack on this promise. The increase would put about half a million small companies into bankruptcy, provoke unemployment, and create such inflation that workers would get their wages in "monkey money," he has declared.

He has resorted to a parable to get the message home: his barber would have to sack two of his three employees if he had to raise their wages from Frs.1,800 to Frs.2,400 a month, he announced (M. Georges Marchais, the Communist leader, who has more hair than M. Barre, said his hairdresser has already gone bankrupt).

However, M. Barre's attack has been compromised by hesitations in the ranks of the Centrists who are afraid that the Left has found a vote-winner. M. Jean-Jacques Servain-Schreiber, the Radical leader who has emerged as the main figure in the rather bereft leadership ranks of the Centrist alliance, Union for French Democracy, has said that a minimum wage of Frs.2,400 was possible by the end of next year. M. Barre has promised only to raise the minimum wage proportionally faster than average earnings to reach Frs.2,400 within the five-year term of the National Assembly.

Other centrist figures, apparently prompted by President Giscard d'Estaing, have also hinted that M. Barre's pace is not quick enough.

The Gaullists have, by and large, sat this issue out, with M. Jacques Chirac, their leader, speaking only vaguely of the need to improve the lowest salaries.

Third man named in Cyprus trial

By Our Own Correspondent

NICOSIA, Feb. 27.

EVIDENCE of a third man seen with the two men accused of the murder of Mr. Yousef el-Sibai, the Egyptian newspaper editor, was introduced by the prosecution at the opening of the preliminary inquiry at Nicosia District Court to-day. Mr. el-Sibai was assassinated at the Nicosia Hilton Hotel on February 18.

Eleven witnesses testified for the prosecution to-day, and the hearing, which will continue to-morrow, is expected to last several days. Police took extraordinary security measures as the two accused were brought to court in a prison van and a ring of barbed wire was placed around the court entrance during the hearing. Only lawyers and journalists were allowed into the courtroom.

According to immigration officials who testified before the judge, Mr. Petros Michaelides, the two accused, Samir Mohamed Khadar, 28, a Jordanian, and Zayed Hussesin al Ali, 26, a Kuwaiti, arrived in Cyprus separately on February 13 and 14 respectively. They flew from Athens, checked into separate Nicosia hotels and stated that their next destination would be Beirut.

The third man was named as Riyadh Samir al Ahad, 30, who held an Iraqi passport and gave his profession as merchant. He too came on a flight from Athens on February 14 and stayed in a room next to al Ali on the Hilton hotel's fifth floor.

The court was told that Mr. al Ahad left the hotel early on February 18 and flew to Athens about three hours before Mr. el-Sibai was shot dead in a corridor of the hotel.

The Cyprus Government has refused Egypt's demand to hand over the two men.

West Germany faces metalworkers' strike

BY JONATHAN CARR

BONN, Feb. 27.

WEST GERMANY is facing the threat of a potentially highly damaging strike in the metal-working sector in which some 4m. workers are employed.

Wage negotiations between employers and the trade union, IG Metall, in two key regions have broken down. Official mediation efforts have failed and the union's national executive committee seems likely to agree on Wednesday to a strike ballot. There have already been many brief work stoppages and the air is thick with recrimination.

That said, it must be stressed that a strike can still be avoided. While the tone of exchanges is tougher than it used to be, it is much too early to suggest that West Germany's relatively peaceful labour-management relations are slipping towards anarchy.

Collective bargaining here has long been a cross between a game of poker, requiring steady nerves, and one of chess, demanding intellectual concentration. The last move in the latest game has not yet been made — and everyone is still playing to the rules.

To foreigners, the West German negotiating process often seems stylised and unreal. The union presents its wage demand with sophisticated economic and financial argument supported by copious data. The employers do the same. At times, the subsequent negotiations sound like an academic review of the world economy and W. Germany's place in it. Should they produce no result, a mediator acceptable to both sides is appointed. If he fails, then the union can agree to a secret ballot if a strike is to be called at least 75 per cent. of the membership must vote in favour.

This process involves numerous breaks for cooling off. Strong nerves are required to decide at which point everything possible has been squeezed out of one's negotiating opponent or —as he is described in Germany —one's "social partner."

Much of W. German collective bargaining, including that in the metalworking sector, takes place at regional level and is carried on at varying speeds. If one area seems to be about to produce a result compromising slower negotiations in another, a brake is promptly applied. One of the many problems is to distinguish between a tactical slowdown and a firm digging-in of heels.

In the metalworking industry, the key negotiating regions are North Rhine-Westphalia (including the Ruhr), on the one hand, and North-Wuerttemberg, North-Baden on the other. The results—or lack of them—here send an almost irresistible signal to the rest of the country. And it is here that the current problems loom most large. In North Rhine-Westphalia the employers offered a 3 per cent. wage increase. In North Wuerttemberg and North-Baden it was 3.5 per cent. The union demanded 8 per cent. in both areas.

At first sight there is an almost unbridgeable gap. Already in North Rhine-Westphalia, the employers are privately suggesting they could not manage more than an increase of 4 per cent. and the unions are saying they must have 5 per cent.

It is constantly emphasised that this process is, and must remain, free of Government interference. Chancellor Helmut Schmidt said this week-end that he would prefer to resign rather than to see the freedom of the negotiating partners undermined.

But that does not stop the Government presenting what it calls "orientation data"—indeed, it is required by law to do so. This year the key figure is that average wage increases should not exceed 5 per cent. if the aim of a 3.5 per cent. real growth in GNP is to be achieved.

Herr Schmidt himself has been playing an important role —often behind the scenes. He has advised both sides to be moderate, which means that a Social Democratic Chancellor is telling unions not to fly too high just as he is prodding the management into not sticking too low.

Most union leaders in West Germany are having a harder time than they used to. The rank and file has become if not militant by the standards [of] Britain, at least much less doci[le]. Herr Eugen Loderer, head [of] IG Metall, has an especially ha[rd] job. His union has some 2.6[m.] members active in every fie[ld] having something to do w[ith] metal work. That means th[at] some sectors, such as the boom[ing] automobile industry, cou[ld] afford to pay a higher wage i[n]crease than, say, medium-size[d] engineering enterprises. He[rr] Loderer has to satisfy his mem[bers] that he is not being t[oo] soft without pushing beyond t[he] limit which he knows employe[rs] can pay.

Finally, the negotiations th[is] year are also being hampere[d] by the lack of a really outstan[d]ing leader on the employers' si[de]. That is chiefly because of t[he] murder by terrorists last O[c]tober, of Dr. Hanns Mart[in] Schleyer. He was in the met[al] working field and while t[he] unions had tough negotiatio[ns] with him they also achiev[ed] agreements which in the lo[ng] run proved eminently satisfa[c]tory for both sides. Dr. Schley[er] is sorely missed.

Little optimism in manufacturing

BY OUR OWN CORRESPONDENT

BONN, Feb. 27.

WEST GERMAN manufacturing companies see the general business climate as relatively satisfactory but do not appear to have much optimism about their prospects over the next six months, according to the latest survey of business opinion by the IFO Institute of Munich.

Reporting on its findings during January, IFO says that most companies reported a decline in new orders that month, although current production remained unchanged from December.

Two other conclusions tend to clash with the cautious predictions of a pick-up in the economy being made by official sources: IFO reports that few companies have any reason to expect an increase in production in the next few months, and there is little chance that the demand for skilled labour will increase. This last point, the institute states, is measured by the number of respondent firms with unfilled vacancies, a figure which in January was only 5 per cent. above its average level for the whole of 1977.

In the capital goods sector, often regarded as the most important category in assessing the economic outlook, IFO found general agreement that the improvement in order[s] recorded in the final quarte[r] of last year had not continue[d] and that currency uncertain[ti]ties now weigh heavily on com[pa]nies' export prospects.

The mechanical engineering, electrical engineering an[d] metal construction sectors al[l] reported unfavourable busi[ness] conditions. The brightes[t] picture remains the moto[r] industry, both for private ca[rs] and commercial vehicles, whil[e] computers and office equip[ment], electrical domestic appli[ances] and furniture were among the other industries enjoying better times.

U.K. Sales prospects, Page [...]

IG—Druck steps up pressure on employers

BY ADRIAN DICKS

BONN, Feb. 27.

THE WEST GERMAN printers' union, IG-Druck und Papier, stepped up pressure on the printing employers to-day with a series of stoppages that were expected to block publication of at least 15 morning newspapers on Tuesday. The printers' action was the latest round in the continuing and increasingly bitter dispute over the introduction of electronic, cold-type technology to the industry, with the consequent changeover of many traditional craft jobs.

At the same time, IG-Druck was organising ballots among its members in selected plants all over West Germany, in which the leadership is seeking authority to launch long-term strike action. Results of the ballots were not due until early Tuesday, but the National Executive was thought likely to-day to secure, in at least some houses, the 75 per cent. majority needed for an official strike to be declared.

The three employers' federations issued a restrained statement to-night deploring the fresh stoppages, and accusing IG-Druck of trying to provoke lock-outs in order to build up support for a strike among its rank and file. The employers declared that "in the interests of social peace," they would not make use of the "entirely legal defensive measure" which the lock-out would constitute.

The employers are, however, hinting that they may take legal action against IG-Druck if it organises strikes against the refusal of individual newspapers to conclude house agreements. House agreements were requested by the union, following the breakdown of national negotiations over the introduction of new technology. On the employers' federations' orders, however, the requests were turned down. Strictly speaking, th[e] union's position is now that [it is] putting on pressure again[st] individual firms in order to [get] them in turn to persuade [the] federations to resume [...] national talks.

The employers' organisation have sought to place the bla[me] again squarely on the IG-Druck leadership, emphasising that th[e] union itself helped to draw [up] the draft national agreement [on] the new technology which it no[w] wants to reopen. [...]

In a circular to its member[s] appealing for their suppo[rt in a] strike [...] the National Executive [...] answer this claim, but [...] its argument in dramatic [...] It warned union members [that] nothing less than their liveli[hoods] and the security of the[ir] incomes was at stake. IG-Druck said the circular [...] rationalisation at the expense [of] our jobs, our health and our pro[fessional] qualifications [...] also refuse to let part of the printer's function be taken [over] by journalists under the [new] technology."

Turkish plan taking shape

ANKARA, Feb. 27.

A TEAM from Turkey's State Planning Organisation (SPO) is believed to be working on a package of economic measures aimed at stopping further falls in the value of the lira.

However, SPO sources would not confirm speculation here that the package also includes a substantial devaluation of the lira against major foregin currences.

The mass circulation Turkish newspaper Gunaydin reported that a 15 per cent. devaluation of the lira against the D-mark and the Swiss franc would soon be put into effect, in line with the suggestions of the International Monetary Fund (IMF).

Turkey has negotiated with the IMF for extension of credits, but the talks ended without agreement. The new Administration here is expected to send a team to Washington next month.

The IMF suggested that Turkey should cut government expenditure, decrease imports, shake up state economic enterprises, and readjust the lira. Reuter

OVERSEAS NEWS

ˈIrs. Gandhi heads for second win

K. SHARMA NEW DELHI, Feb. 27.

captured the southern Karnataka yesterday, a Gandhi's Congress(I) poised this evening to er and totally unex- tory in Andhra state s results came in, Mrs. party was steadily win- hirds of the seats in ra assembly, in much manner as it swept yesterday.

arly re-establishes Mrs. a major political force s that the Karnataka no freak victory. If keeps up the winning lian politics will be o ferment.

ndhi's victories have virtual decimation of ess Party, from which away last month. The of the Congress. Mr. nda Reddi, resigned is morning saying he sponsibility for the defeat.

ignation came before ra results started thus making it a double humiliation for Mr. Reddi. Andhra is his home state, and a Congress victory was thought to be a certainty.

The poll débâcle has plunged Congress into a deep crisis and unless it retrieves its position in Maharashtra—the third southern state where elections were held—its future is bleak. In spite of indications that the Congress was doing better in the eastern states of Assam and Meghalaya, where elections have also been held, its reverses in the south suggest that the party organisation will fall into Mrs. Gandhi's hands.

Mrs. Gandhi's surprise re-emergence as a powerful political figure has cast its shadow also on the Janata party, which had hoped to establish some kind of a base in the south. Janata leaders are already wrangling and in private are blaming each other for mismanaging the elections.

In serious danger is the Janata party president, Mr. Chandra Shekhar, who was responsible for the choice of the party's candidates. Many of these, like Mr. Chandra Shekar, are former Congressmen deliberately chosen by him in a bid to counter the influence of the other factions in the Janata, notably the Jana Sangh and the former Indian People's party.

Significantly, a former general secretary of the Janata party, Mr. Rajinder Puri, to-day issued a statement calling for the resignation of Mr. Chandra Shekhar. Rumblings in the party are clear and it seems likely that the Janata party will go through an upheaval in the next few days.

The Karnataka victory was very much evident this morning when Mrs. Gandhi appeared before a Delhi magistrate on charges of refusing to testify before the Shah Commission now inquiring into charges of abuse of power by her during her emergency rule. She was cheered loudly by large crowds waiting outside the court, although there were jeers from her opponents also. Mrs. Gandhi herself looked far more cheerful than she has since her defeat in the general elections last March.

The magistrate agreed to her application for bail after there was no opposition to this from the prosecution. Mrs. Gandhi does not now have to appear again in court until the day of judgment. By that time, Indian politics may have changed entirely.

Mrs. Gandhi has called a meeting of her Congress parliamentary party on Saturday and it will then be known whether it will be the official opposition in the Lok Sabha (lower house of parliament).

The indications are that a large number of Congress MPs are now ready to shift their allegiance to her, and it is possible that the present leader of the opposition, Mr. Y. B. Chavan, will lose his post. Mr. Chavan's stronghold is Maharashtra, and the results of the election there could dictate his future. These should be known by to-morrow.

Syria refuses Atherton visit

By Louis Fares

DAMASCUS, Feb. 27.

SYRIA has rejected a request from Mr. Alfred Atherton, U.S. Assistant Under-Secretary of State, to visit Damascus during his present Middle East shuttle, "because his present mission does not serve the cause of a just and lasting peace," according to the government daily newspaper Al Tishrin, this morning.

"His present mission does not concern us in any way," commented the political editor writing a few days after the visit of President Hafez al Assad to Moscow, where the Syrian leader appears to have received fulsome political backing as well as a commitment to new weapons supplies.

Major-General Hikmat Shihabi, Syrian Chief of Staff, left to-day with an important military delegation to the Soviet Union. It is his second visit to Moscow in less than two months.

The local Press commented on the good understanding shown by the Soviet Union during Mr. Assad's visit about the need for establishing a strategic balance between Syria and Israel "in all fields." In another related development a high-level Soviet delegation is expected to arrive in Damascus this week to discuss further economic collaboration.

Reuter reports from Kuwait: Jordan might join direct peace talks between Egypt and Israel if the Jewish State publicly committed itself to withdrawing completely from occupied Arab lands and to recognising the national rights of the Palestinians. Mr. Modar Badran, Jordan's Premier, was quoted as saying to-day.

He said in an interview published in the daily newspaper Al-Rai al-Alam that Jordan would not yield to pressure to take part in the stalled negotiations. But he said that the Kingdom might join the peace talks after consultations with other Arab parties, including the Palestinians, if its conditions were met.

Cairo limits Palestinians

BY ROGER MATTHEWS CAIRO, Feb. 27.

EGYPT is to withdraw all the special privileges of the estimated 30,000 Palestinians living in the country. The decision was announced to-day by the Prime Minister, Mr. Mamdouh Salem, and follows mounting official and public anger at the suspected role of Palestinian elements in the murder of the newspaper Editor-in-Chief Youssef Sibai in Cyprus nine days ago and the subsequent debacle at Larnaca airport in which 15 Egyptian commandos were shot dead.

To-day's decision cast a further blur on the almost stalled efforts to get Israel and Egypt to agree on a declaration of Middle East peace principles that would allow for formal negotiations to resume. Senior officials stated to-day that Egypt has not hardened its negotiating position, contrary to Israeli reports, nor had it come under increasing pressure from other Arab countries.

The decision on the Palestinians means they are to be treated like other visitors from an Arab country. They will have to apply for residency permits, to change a certain amount of foreign currency when entering the country, and are almost certain to lose their rights to be treated as Egyptians in matters of employment, pensions, housing and commercial activities.

Mr. Mamdouh Salem's statement to the People's Assembly came as a shock to some senior Egyptian officials who had privately predicted a review of relations with the Palestine Liberation Organisation but had emphasised that there was no real quarrel between the Palestinian and Egyptian peoples.

It also confirms the extent of President Sadat's anger over the killing of Mr. Sibai, a personal friend, and the loss of Egyptian troops. Mr. Yasser Arafat, the PLO Chairman, accused Mr. Sadat last Friday of sowing hatred of the Palestinian people among ordinary Egyptians. This, said the guerilla leader, was in preparation for the day when Egypt would shed any responsibility for the Palestinian cause.

Mr. Mamdouh Salem emphasised to-day that the status of the Palestinians in Egypt would be subject to review. According to some sources this was a clear warning that if there were any further attacks on Egyptian personalities more drastic action might be taken. Since 1956 Palestinians have enjoyed the same rights as Egyptian citizens but cannot take part in political activities such as voting or being nominated for Parliament.

However, Mr. Salem said that Egypt would never abandon the Palestinians living in the occupied territories who had supported President Sadat's peace moves. Egypt would also continue to back the rights of the Palestinians to their own State. It was an historic and a strategic position from which Egypt would never be deflected, said the Prime Minister.

● Reuter adds from Nicosia: Dozens of heavily armed police guarded the court to-day at the start of the preliminary hearing for the two Arabs accused of killing the Egyptian newspaper editor, Mr. Youssef Sibai, a close friend of President Anwar Sadat.

ıder of … protest … p dies

rd Simon

NESBURG, Feb. 27

ert Sobukwe, the founder of the an African Congress ed in Kimberley last r a long illness. He

bukwe broke away African National Con- 1958, and became of the PAC the fol- ear. He led the of passive resistance outh Africa's pass 60 which resulted in g by police, of 69 demonstrators at e. In May last year, sentenced to three risonment for incite-

r being released he sted and held for six hout trial in the Robben Island. He ed in 1969, but was th a banning order tricted him to the area and prohibited from quoting him.

oining the PAC, Mr. was a lecturer in nguages at the Uni- The Witwatersrand. lease from Robben turned down an work at the Bantu ation Department in , but was allowed to rticles with a black the city.

ning orders were t year to enable him ape Town for chest

S. African emigrants top number of new settlers

BY BERNARD SIMON JOHANNESBURG, Feb. 27

FOR THE first time in many years, the number of emigrants from South Africa in 1977 exceeded the number of new settlers. This was disclosed to-day by the Department of Statistics, in the wake of publication of a Parliamentary Bill which will compel immigrants under 25 to become South African citizens to retain their rights to permanent residence.

According to the Department, the net emigration loss last year was 1,178 compared to a net gain in 1975 and 1976 of 40,209 and 30,598 respectively. In December alone, there were 2,149 emigrants but only 1,687 immigrants, against a net gain of 308 settlers in December 1976 and of 3,394 in the same month of 1975.

Immigrants last year totalled 24,822, about half the figure for 1976. About 600 a month came from Rhodesia. Other principal countries of origin were Britain, Mozambique, Zambia, Portugal and West Germany. Some 26,000 people emigrated from South Africa but, taking into account those who left permanently without classifying themselves as emigrants, the actual drain was probably greater. The main destinations for emigrants were Britain, Australia, Israel, the U.S. and West Germany.

The reversal of the migration figures is viewed with concern by both Government and private sector. A high proportion of those leaving are thought to be skilled professionals. In setting an annual real growth target of 5 per cent., the latest economic development programme assumed a net annual inflow of no fewer than 30,000 immigrants.

Nonetheless, there has been strong reaction from opposition quarters against the South African Citizenship Amendment Bill, which provides that white immigrant men under the age of 25 must become South African citizens within two years of entering the country, or face loss of their permanent residence rights. When the Bill becomes law, it will not apply to immigrants already in South Africa.

One consequence of the Bill —and apparently its main aim —will be to make settlers eligible for military service. Resentement has been growing in some quarters against young immigrants being exempted from military service. At the National Party's provincial congresses last year, there were repeated calls for the compulsory enlistment of young immigrant men.

The Johannesburg Rand Daily Mail to-day labelled the Bill as a farce. It said the provision "makes a nonsense of what we have always thought was this Government's prime aim on immigration—to swell the ranks of white residents in this country and so shrink the racial imbalance."

Nkomo queries U.S. role over Rhodesia

By Michael Holman

LUSAKA, Feb. 27.

MR. JOSHUA NKOMO, joint leader of the Patriotic Front (PF), to-day questioned the continued role of the U.S. Government in the Anglo-American efforts to resolve the Rhodesian problem.

Elaborating at a Press conference on criticism of the U.S. made in a joint Press statement issued by the PF in the Mozambique capital of Maputo last week, Mr. Nkomo said: "We are not very certain whether the U.S. should continue to take part. We were told that they were just Britain's adviser, but they seem to be making independent statements about our country and we object to that very strongly."

But Mr. Nkomo did not set down preconditions on continued U.S. participation: "We want to hear what the Americans have to say about this."

Singapore budget includes new tax incentives

BY GEORGE LEE SINGAPORE, Feb. 27.

SINGAPORE'S Finance Minister, Mr. Hon Sui Sen, in his annual budget statement to Parliament to-day introduced several new tax concessions to further stimulate the growth of the Republic's manufacturing, servicing and finance industries.

Besides corporate tax incentives, the Finance Minister also announced that he is changing personal income tax for the first time in several years which will result in tax cuts ranging from 7.8 per cent. to 18.8 per cent. for private individuals.

Tax increases were imposed on a number of consumer goods and services but this year the "traditional" increases in taxation on luxury items such as tobacco, beer and spirits, were excluded.

The tax concessions for the corporate sector include an investment tax credit scheme and a concessional 20 per cent. tax rate (compared to the current rate of 40 per cent.) for overseas-oriented sales and service companies. Other measures provide for accelerated depreciation allowances for industrial buildings, and the abolition of tax charges on dividend distributions out of offshore profits.

The investment tax credit scheme will permit a certain percentage of the fixed investment of approved projects to be credited against taxable profits. It is designed particularly to attract investments in manufacturing industries.

The abolition of the tax charge on dividends paid out of offshore profit will particularly benefit operators in the Asian dollar market as well as the reinsurance industry.

Hua report discussed

By Yvonne Preston

PEKING, Feb. 27.

CHINA'S first parliament in three years, officially opened here yesterday by Yeh Chien-ying, the Defence Minister and chairman of the National Peoples' Congress, appeared to be in temporary recess to-day.

The 3,450 delegates are assumed to have spent the day discussing the contents of a 3½-hour "State of the Nation" address by the country's Prime Minister, Hua Kuo-feng. The premier's report, the highlight of the opening session, is expected to be passed unanimously by the rubber-stamp parliament, but the formula of debate may need to be observed.

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...ALIAN OFFSHORE EXPLORATION

...il search on the fringe

BY DON LIPSCOMBE IN PERTH

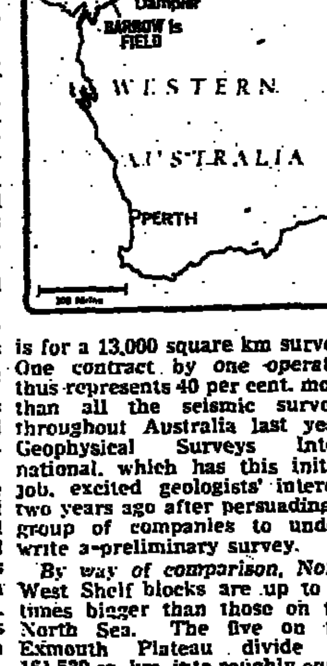
urveying began this Australia's Exmouth hich the petroleum s come to regard as 's last hope for a oil accumulation. It to be oil, and it to be big, for the is 25-290km off north-west coast in s of 300-3,000 metres. n the fringe of drill- ology and beyond roduction technology. uns of oil companies itted to spending exploration over the ars, building up from is financial year to four years. With vernment encourage- oil companies will is minimum commit- tantially —$400m. is oser to the mark.

n half the outlay will h the Exxon-BHP which produces 65 f Australia's oil from Strait, off Victoria. bid successfully for five Exmouth Plateau own open for inter- nder in January last bids closing in July e allocated in October. executive general f BHP's oil and gas r. Des Wittwer, points measure of Australian t's anxiety to find t decisions were made In a series of sub- ocumenting the need d taxation concessions, ustry lobby warned of ndigenous oil reserves rospect of an annual ng to $4bn. by the mid-

paign succeeded. The l industry was singled incentives, introduced ks before bids closed nouth Plateau, and gas nt studies began on nt North West Shelf. of policy changes four-year rundown in exploration.

rth West Shelf has tended to overshadow all other effort. Its $3bn. cost estimate making it the country's most expensive industrial project. But if the Exmouth Plateau proves to be oil-bearing it would call for at least another $36m. to produce oil from such a great depth of water so far offshore. (If nothing worthwile is found there in the next three years, Australia will need to revise drastically its energy assumptions and associated balance-of-payments questions.)

The scale of the project is very large. The first seismic contract



is for a 13,000 square km survey. One contract by one operator thus represents 40 per cent. more than all the seismic surveys throughout Australia last year. Geophysical Surveys International, which has this initial job, excited geologists' interest two years ago after persuading a group of companies to underwrite a preliminary survey.

By way of comparison, North West Shelf blocks are up to 80 times bigger than those on the North Sea. The five on the Exmouth Plateau divide its 161,530 sq. km. into roughly equal segments, and are thus bigger still. In more familiar terms, the block are just under 8m. acres each, the combined total of Britain's five biggest counties or more than half as big again as all of Wales.

Companies drilling off Australian shores have exclusive exploration rights. Successful bidders make a work commitment but no actual payment to governments. This carries through to exclusive production rights for blocks that are, by then, substantially reduced in size. This easy access meant little when Australia's crude oil price was one-fifth of the world rate. But it has proved attractive to producers of new oil who are promised world price parity.

North Rankin, which is to be the main producing reservoir on the North West Shelf, provided the first clues to the oil possibilities of Exmouth Plateau. Its Triassic structures proved unexpectedly to be in world class, but producing gas rather than oil. Most Australian onshore sands have good reservoir qualities but have been flushed out with fresh water. So the Exmouth Plateau explorers, headed by Exxon, Phillips, Hudson Bay and Woodside, are gambling on the theory that sediments that have generated gas onshore and in the heavily-faulted shallow offshore waters have created oil farther offshore in bigger structures.

Exxon's Australian exploration manager, Mr. Ken Richards, who has been one of the most enthusiastic advocates of the Plateau's prospects—and for the next couple of years will be preoccupied with locating any oil—sees exploration as a daunting task but still relatively simple compared with production.

"If we find anything, the technology required will be similar to what was needed to put a man on the moon," he says, "and it might well cost nearly as much." Firms selling North Sea technology, already proving right for the demanding North West Shelf, should find the Exmouth Plateau a happy hunting ground.

AMERICAN NEWS

Unions pull funds out of bank over Stevens

By John Wyles

NEW YORK, Feb. 27.

SOME U.S. trade unions have withdrawn their funds from Manufacturers Hanover Trust Company, a major New York bank, in a bid to force the removal of two directors of J. P. Stevens from the Board of the bank's parent company.

This is a new tactic in the U.S. union movement's campaign to organise Stevens, the second-largest textile producer in the U.S., and the symbol of resistance by southern employers to unionisation.

Although U.S. unions have used their pension fund investments in the past to penalise companies with investment in South Africa, the current move is believed to be the first time that ordinary funds have been used as a weapon in a domestic issue.

The move to unseat the two directors—Mr. James Finlay, the Stevens chairman, and Mr. David Mitchell, a director of the textile company—began last March at the bank's annual meeting. It was led by the Amalgamated Clothing and Textile Workers' Union, which is in the vanguard of the fight against Stevens. However, the union initiative failed to muster sufficient support.

Since then, the Beltmakers and Allied Workers' Union has closed its trust account at Manufacturers Hanover, which handled $6.4m. of investments for the union's health and welfare funds.

This initiative was followed last month by the defection from the bank of a branch of the Auto Workers' Union which closed its $50,000 current account. Of greatest significance, however, is the fact that the International Association of Machinists, led by the Left-wing Mr. William Winpisinger, will decide in April whether to place the management of its $160m. funds in the hands of another bank.

At the same time, other unions are advocating a general boycott of the bank, which claims in its defence that it is being drawn into a dispute "to which it is not a party and which it cannot resolve."

Succession of rail accidents causes concern

By Stewart Fleming

NEW YORK, Feb. 27.

A SUCCESSION of railway accidents, in which 17 people have died and more than 100 injured, is causing concern about the safety of sections of rail track in the U.S. and the freight rolling stock using it.

On Sunday, about 47 freight cars and five locomotives in a 140-car freight train were derailed near Youngstown, Florida, spewing a cloud of deadly chlorine gas over surrounding roads and swampland. Vehicles on a nearby road stalled and crashed as the chlorine enveloped them and cut off the supply of oxygen to their engines. Local authorities said that eight people died and 67 were taken to hospital as a result of breathing chlorine.

On Friday, near Waverly, Tennessee, nine people died when a tank car containing propane gas exploded as attempts were being made to unload its cargo following the de-railment of a freight train. The explosion occurred as spectators were watching the exercise

Senate will delay decision on Miller for thorough inquiry

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Feb. 27.

EARLY Senate action on the nomination of Mr. G. William Miller to be the next chairman of the Federal Reserve Board appeared less likely to-day when the chairman of the key Congressional committee said that there would be no vote until all questions relating to Textron's alleged payments to Iranian officials had been answered.

Mr. Miller is due to testify to-morrow for the second time on whether or not he, as the chief executive of Textron, was aware of payments made to an Iranian agent of Textron's Bell Heli-

Mr. William Miller

copters subsidiary. The agency concerned was reported to have been secretly controlled by the former head of the Iranian Air Force.

This morning, Senator William Proxmire, chairman of the Banking Committee, opened a session, at which past and present Textron and Bell officials were to be cross-examined, by reading a statement which said that there would be no committee vote on the nomination until it could be ascertained with certainty that Mr. Miller was unaware of who, in fact, was receiving the $2.9m. payment.

"If nervous Nellies and weak sisters are frightened by this kind of thorough investigation," Mr. Proxmire said, "so be it. The Government is better off without them." Textron's payment, which the company acknowledges, constituted "a bribe," he added.

Some Senators on the committee criticised Mr. Proxmire for engaging in "a fishing expedition." On the other hand, there is a prevailing Congressional sentiment that the confirmation process must be thorough on this occasion and that the sort of perfunctory deliberation given a year ago to the appointment of Mr. Bert Lance, President Carter's erstwhile Budget Director, must be avoided at all costs.

Dr. Arthur Burns, the outgoing Fed chairman, has been privately warning that delay over confirmation in office of Mr. Miller can only harm U.S. prestige abroad, and possibly help bring down the value of the dollar. But the decline in the dollar is not a subject which has impressed itself heavily on Congressional opinion so far and certainly not when matched against probes into personal, private or corporate malfeasance.

In his testimony last month, Mr. Miller was adamant that he did not know that Air Taxi, the Iranian agency, was secretly controlled by Gen. Mohammed Khatemi, former head of the Iranian air force and a confidant of the Shah.

However, a former Iranian agent of Bell has testified that this information was known in Textron's headquarters. In addition, the New York Times reported to-day that the Senate Banking Committee staff, which has been investigating the payments, has unearthed an internal Textron memorandum that appears to contradict earlier statements by Textron officials, who expressed ignorance of the Khatemi connection.

At the same time, it appears that the parallel investigation into Textron's overseas payments, being conducted by the Securities and Exchange Commission (SEC) is widening in scope and likely to take more time. There have been reports that Textron's auditors believe that at least four of the company's divisions may have made questionable overseas payments and the SEC has expressed concern that the company did not conduct the kind of internal audit which might have identified such procedures.

The SEC probe could well take another six months to complete, and it was in part acknowledgement of this that the New York Times yesterday, in a surprising editorial, urged Mr. Miller to withdraw his nomination. For his part, Mr. Miller has repeatedly claimed that his conscience is clear.

Colombia poll abstention

BY SARITA KENDALL BOGOTA, Feb. 27.

PARTIAL results give the Colombian Liberal Party a substantial majority in the congressional elections held yesterday—more than 55 per cent. of all votes having been counted. But abstention was high at more than 70 per cent. of registered voters.

Sr. Julio Cesar Turbay Ayala appears to have taken the Liberal party presidential nomination comfortably, with a two-to-one victory over his rival, a former President, Sr. Carlos Lleras Restrepo.

The main challenge in the June presidential election will come from the Conservative Party candidate, Sr. Belisario Betancur. But the Liberals are traditionally the stronger electoral force and Sr. Turbay is an able tactician.

Sr. Alberto Santofimio Botero, president of the House of Representatives and a leading Turbay supporter, had a personal triumph in Tolima department, being elected Senator with a big majority. He is currently in jail on multiple charges of fraud and forgery.

Despite bombings of several political party headquarters and some arrests on charges of vote-buying, heavily-armed military patrols ensured a peaceful election day in most of the country. Bands played and chanting supporters tried to whip up enthusiasm in the streets of Bogota. Although Left-wing groups were among the most energetic campaigners, they have captured much less than 10 per cent. of the vote from the well-financed machinery of the traditional parties.

Consumer prices rise steeply on new index

By Jurek Martin

WASHINGTON, Feb. 27.

THE Carter Administration to-day received an unpleasant reminder of the inflationary pressures in the economy with an announcement that consumer prices rose in January at twice the rate of the preceding few months.

The newly revised Consumer Price Index For All Urban Consumers went up by a seasonally adjusted 0.8 per cent. in January, with about two-thirds of the rise accounted for by higher food and housing costs.

At the same time, the combination of inflation, higher social security taxes, and reduced economic activity brought about by bad weather and the coal strike produced the biggest monthly drop in the real buying power of the American worker (3 per cent.) since these statistics were first compiled 14 years ago.

Administration officials remain confident that the impact of the bad winter on the economy will not be lasting and that the recent sharp declines in both retail sales and industrial production will soon be reversed. Nevertheless, the most recent figures do demonstrate the urgency of ending the coal strike as soon as possible before deeper damage is inflicted on the economy.

Bad weather, which interfered with shipments, contributed to the 1.2 per cent. increase last month in the food price component of the cost of living index. Meat, poultry, eggs, fresh fruit and vegetables all rose sharply in price.

The overall cost of housing rose by 0.8 per cent. in January, but with homeowners, as opposed to rent-payers bearing more of the burden because of increases in house prices and mortgage rates.

Other service sectors also showed appreciable rises, with the cost of medical care leading the way. The clothing sector was one of the few recording relatively modest price increases.

If the January price rises were reflected throughout the year, the annual price increase would come close to 10 per cent.—considerably above the underlying 6 per cent. rate of inflation which the Administration believes is running through the economy.

The January returns also mean that over the last 12 months the retail cost of living has gone up by an unadjusted 6.7 per cent.

The new index is reckoned to be a more accurate gauge of consumer spending than the old Consumer Price Index. The survey has been extended to cover all urban consumers as opposed to the original sample which was limited to urban wage earners and clerical workers.

The Administration may argue that to-day's statistics, particularly those on real spending power, demonstrate the need for the $24.5bn. tax cuts proposed last month by President Carter. But it is also clear that they will cause public and political attention to focus critically on current anti-inflation policies—or rather the lack of them.

MASS TRANSPORTATION

Costly ticket to ride

BY NANCY DUNNE IN WASHINGTON

WHEN PRESIDENT CARTER sent his energy programme to Congress last year, the very complex, far-reaching proposals seemed to contain one glaring omission: no provision was made for large-scale development of public transport systems.

Beginning in the early 1960s, Congress had authorised billions of dollars for urban mass transit, and it was then conventional theory—supported by Democrat and Republican presidents alike—that large underground systems and vastly expanded bus services held the key to controlling the problems of pollution, energy and urban congestion.

But President Carter's omission was no accident. Ever budget conscious and aware of the vast cost overruns in the building of the San Francisco and Washington D.C. Undergrounds, the President eyed large-scale rail projects with disfavour. Many systems were "grossly overdesigned," he said, and subway tunnels were "anathema."

Last September, Mr. Richard Page, responsible to the President for urban mass transit administration, predicted, "we have probably seen the last of the big regional subway projects."

New rail programmes planned in Atlanta, Baltimore, Buffalo and Miami apparently will not be abandoned but might be curtailed. A close study of all possibilities would be required for continued federal assistance.

It was thus no real surprise that the new administration's highway and mass transit proposals sent to Congress early this month offered little more money for urban transport. It was a typical Carter programme—short on new cash outlays and long on emphasising savings by consolidation.

In the past, supporters of highway development and mass transportation systems have clashed frequently, each urging the necessity of having priority for federal cash. The legislation, introduced by Mr. Brock Adams, the Secretary of Transportation, combined funding requests of $50bn. over the next five years for both.

"We must redirect our highway and public transportation programmes and gear them to an era of scarce dollars, costly energy, changing rural requirements and growing urban needs," the Secretary told a Congressional committee.

President Carter's energy programme omitted any mention of public transport—but it was no mistake. The capital cost of new schemes makes investment in public transport extremely expensive.

The legislation would combine the existing federal highway administration and urban mass transportation administration planning funds into a single transportation planning fund to be apportioned to states and municipal agencies. Additional planning funds would be made available to urban areas.

With inflation driving construction costs up rapidly, Secretary Adams wants Congress to accelerate work on the interstate highway system and set a completion date of 1990. States wishing to withdraw non-essential urban segments of the interstate system could use the funds for mass transit.

The emphasis on highway funding was opposed by transit backers. They say car users should be discouraged by stiff parking fees in downtown areas and higher petrol taxes, from which the vast sums needed for mass transit could be raised.

Administration policy-makers believe boosting automobile efficiency through tougher fuel-using standards is a priority short-run objective. They say that saving one mile per gallon in cars conserves more fuel than doubling mass transit system use. Transit proponents, however, contend that public transit's fuel saving advantage over the car will widen as urban traffic congestion increases.

Meanwhile, early assessments of the two most recently completed large underground systems are not encouraging. San Francisco's bay area rapid transit has been carrying far fewer passengers than experts had estimated and profitability has receded into the far distant future. The costs of the new Washington system have escalated by mode than $3bn. over its planned $2bn. price tag, and users have complained about the frequent breakdowns of its sophisticated equipment.

The President's distaste for large urban undergrounds found unexpected support in a Congressional budget office report released last autumn. "Of all the commonly held notions about energy efficiency," the report said, "probably the most misguided are those concerning rapid rail transit. The findings of this study indicate that, under typical conditions, new rapid rail systems actually waste energy rather than save it."

The energy consumed in the construction of rail systems, the need for commuters to drive cars to the terminals, and the circuitousness of most rail travel "offers little aid to the nation's efforts to save fuel," the report concluded.

While advocating car and "van-pools," the budget office agreed that expansion of the nation's bus systems might be the cheapest, most energy efficient means of moving about urban and suburban Americans.

However, most bus systems have had their share of problems. In the early 1970s many private companies, finding they could not compete with the automobile, faced bunkruptcy. Cities and regional agencies took over operations and fared little better. Inflation, labour disputes and rapidly rising workers' wages forced costs up, bringing about service cut-backs and usage decreased.

Between 1971 and 1977, the total deficit for the country's urban transit systems rose from $300m. to more than $1.8bn. Despite federal subsidies, almost all large American cities are wrestling with financial troubles in their bus systems.

The administration is looking hard at "light rail" systems, which are cheaper than Undergrounds but may add to congestion problems. Light rail trains are a modern adaption of trolley cars which still run in San Francisco but were abandoned years ago in other large cities. Planners say such systems would run on tracks separated from automobile traffic, sometimes on median strips or on elevated platforms.

Urban transportation consumes about one quarter of the nation's petrol—or about 10 per cent. of all its energy producing fuel. If the U.S. is to make progress in conserving energy, this area certainly cannot be ignored.

The President's planners are hoping expansion of bus systems, increased car efficiency and some light rail will be sufficient. The country, they believe, simply cannot afford the huge expenditures required for conventional and Underground rail transit, and the American people are increasingly less willing to pay for programmes they feel they cannot afford.

WORLD TRADE NEWS

MITI may monitor exports of Japanese cars to U.K.

BY CHARLES SMITH TOKYO, Feb. 27.

THE MINISTRY of International Trade and Industry, according to local Press reports, intends to order Japanese motor manufacturers to provide it with monthly figures of their car exports to Britain. It also plans to "warn" any companies which allow their exports to grow too rapidly.

Both moves are said to be intended as a response to the demands from the British Government that Japan should place some effective restraint on its motor exports to the U.K.

The demands were personally transmitted to the Minister of International Trade and Industry, Mr. Toshio Komoto, by the British ambassador, Sir Michael Wilford, about ten days ago.

A spokesman for the Europe section of MITI'S International Trade Policy Bureau, which is directly concerned with U.K. trade relations, told the Financial Times that he could not comment on Press reports about MITI's export curbing plans. He admitted, however, that the Ministry was "greatly concerned" about the issue of car exports to Britain.

"We are making some effort in this field although so far we have no concrete idea," the spokesman added.

In a public comment on the car issue, Japan's Minister for External Relations, Mr. Nobuhiko Ushiba said to-day that Japanese car makers were ready to accommodate British demands for restraint "as much as possible . . . if there is an agreement, our industry will be able to carry it out."

A joint communique issued after industry-to-industry talks in February included expressions of intent by the Japanese side not to cause trouble for the British motor industry by excessive exports but this was regarded as an insufficient guarantee by (among others) the U.K. Department of Trade.

Further generalised "forms of words" on the car export issue offered by the Ministry of International Trade and Industry after the industry-level talks were also apparently rejected by the DOT as insufficiently concrete.

As a result, the British ambassador was instructed to make direct representations to the Japanese Government.

The U.K. did not, apparently, take the car issue to the EEC because the whole problem was too urgent for there to be time to go through the normal EEC channels.

Japan's basic thinking on the car export issue seems to be that it is impossible to place direct restraints on the levels of registrations of Japanese cars in the U.K. (as was demanded by the Society of Motor Manufacturers and Traders in the Tokyo talks).

What can, at least in theory, be controlled is the rate of shipment from Japan to the U.K. Efforts at restraint failed last year partly because of competition among individual motor manufacturers in Japan and partly because of the strength of demand for Japanese cars in Britain.

It seems that MITI was now studying ways of throwing its weight behind restraints on shipments.

New offers to EEC predicted

BY OUR FAR EAST EDITOR TOKYO, Feb. 27.

JAPAN "hopes to make some new offers" to the EEC during the bilateral negotiations which will reach their climax in mid-March, the Japanese Minister of External Economic Relations, Mr. Nobuhiko Ushiba, told foreign journalists to-day.

The concession, however, will not be particularly dramatic since most of what Japan has to give to its trading partners in the way of global import concessions was either included in the earlier U.S.-Japan joint communique issued in January or will form part of the outcome of the Geneva MTM negotiations.

As an example of what might come out of the Japan-EEC talks, Mr. Ushiba instanced simplifications in the inspection procedures for imported pharmaceuticals. He also said that the Government would "look favourably" on the purchase of European aircraft by Japanese airlines.

Mr. Ushiba said he felt there were misconceptions in Europe about the significance of Japan's earlier round of trade talks with the U.S. The agreement reached after the U.S. talks was not a "bilateral agreement detrimental to European interests" but included new measures of global application from which Europe should benefit as fully as the U.S.

The Minister also warned that "over-dramatisation" would not solve the problem of the Europe-Japan trade imbalance. "We hope Europe will show greater initiative and entrepreneurship in selling to Japan."

In the meantime, Mr. Ushiba noted, Europe's imports from Japan constitute only 2.2 per cent. of its total imports.

He said he understood that the EEC Commission had been given a mandate to conduct the current round of trade negotiations with Japan by the Council of Ministers. But Japan had not been officially told what kind of mandate had been given—"we only have a general idea."

Mr. Ushiba said he was looking forward to taking contacts with the EEC a stage further during the visit—which officially starts to-morrow—of the Danish Foreign Minister, Mr. Borge Andersen, in his capacity as president of the EEC Council of Ministers.

West German companies optimistic

By Lorne Barling

WEST GERMAN companies are increasingly optimistic about their sales prospects in Britain, according to a survey by the German Chamber of Industry and Commerce in the U.K.

Nearly seven companies out of 10 in the survey said their level of orders was higher than before or was increasing. That compared with about half during the last annual survey.

Almost 74 per cent. of companies were confident that they would be competitive in future, compared with only 59 per cent. a year earlier.

The most important reason given for improved business was the expansion of distribution networks or new investment such as the setting up of new subsidiaries.

Although 30 per cent. of respondents believed that improved economic conditions and more stable currencies had helped, 32 per cent. who reported unsatisfactory sales blamed slight exchange rate fluctuations as their main reason for bad business.

Hungary aids Jamaica

The Hungarian Government is to assist Jamaica in building a $500m. alumina refinery, Canute James writes from Kingston. It will have a capacity of 600m. tonnes a year, use Jamaican bauxite and supply alumina to Mexican and Venezuelan aluminium smelters.

Price minima fixed for chipboard purchases

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SPANISH AND Swedish chipboard manufacturers have given separate undertakings to the European Commission that they will observe minimum price levels, after allegations against them of dumping in EEC markets.

Last year Britain, Denmark, the Irish Republic and West Germany asked the Commission to investigate Swedish prices but a voluntary settlement was reached before the investigation got under way. A ceiling was agreed on shipments during February and new minimum prices, believed to be more than £60 a cubic metre in the U.K., will operate on all imports from to-morrow.

For Spain, where Britain brought the complaint alone, an agreement on similar lines was reached in Brussels last week.

The British chipboard industry has been squeezed between cheap imports and a falling domestic market. An important producer went into liquidation last year and several more were under financial strain.

The industry sees the new agreements as a significant advance, particularly as they were reached amicably. With the European Commission continuing to monitor prices, the U.K. market may remain stable.

In the wake of the Swedish and Spanish decisions, three big French producers and one large Belgian supplier of chipboard have also withdrawn their price lists and are considering new U.K. prices. The European chipboard manufacturers association, FESYA, is likely to use the Spanish agreement as a basis for tackling low-price imports from Comecon countries, particularly Poland and Romania.

Dar es Salaam delays

BY MICHAEL HOLMAN LUSAKA, Feb. 27.

IN SPITE of inter-Governmental efforts the backlog of Zambian cargo at the Tanzanian port of Dar es Salaam remains at a "critical" level, according to the Zambian freight agents Leopold Walford. Figures issued by the company show that on February 25 90,000 tonnes were held at Dar, including 16,200 tonnes on ships working in the port.

The backlog has steadily increased over the past four months. Senior Zambian officials visited the port last month in an effort to ease congestion.

In mid-January the Tanzanian Government announced substantially increased storage charge with effect from mid-year in an effort to encourage Zambian importers to move their cargo more quickly. This appears to have made little impression.

The hold-up has seriously affected copper shipments.

EEC BARRIERS

Australia gets tough on trade

BY CHRISTOPHER PARKES

THE CAMPAIGN to open up European Community markets to Australian exports has taken on a more abrasive tone. In striking contrast to the early, diffident approaches of Mr. John Howard, the first Australian Minister responsible for trade with the EEC, the new man, Mr. Victor Garland, has a self-confidence usually detected only in negotiators from across the Atlantic.

In London last week on his first trip to Europe since his appointment last year, Mr. Garland was quick to make additions to the list of charges already drawn up against the nine EEC member governments and their agents in the Brussels Commission.

The latest of these concerned the Community's plan to start subsidising trade in steam coal inside the EEC to prevent third country suppliers from undermining prices. Australia is a major world trader in steam coal, and it is justifiably fearful that if the EEC effectively closes its frontiers to imports then the rest of the world's trade is bound to suffer.

European measures to support and protect the steel industry have also raised blood pressures in Canberra.

But the main aim of Mr. Garland's trip to the EEC was to meet informally the people he will be facing during full negotiating sessions in April. Last October his predecessor gave Brussels a list of 25 complaints (they call them "representations" in Australia House) about the EEC's activities in world markets and in bilateral dealings with Australia. The Commission agreed to study them and then talk this spring.

Then, the biggest shot in Australia's locker was the threat that unless the Common Market made way for Australian agricultural exports (beef in particular) Australia, yellowcake uranium exports to the EEC might not be possible.

Since then, however, the scope of Canberra's case has widened, become more subtle and its arguments have been bolstered up. While Brussels may provide a useful forum for preliminary talks, Australia is now convinced that real progress will be made only in the Multilateral Trade Negotiations.

Mr. Garland pointed out that the EEC runs a growing current account deficit with Australia; at present it is £1bn. a year, and £850m. of that is down to the U.K.

While everyone knew that Britain's entry into the EEC would change traditional trade patterns, no one expected such violent upheavals as have been seen in the past five years, he said. Australia once sold 1m. tonnes of wheat a year in the EEC, now it sells none.

Sugar exports to Britain have fallen from 400,000 tonnes a year pre-EEC to zero. A 60,000-tonne-a-year market for butter has disappeared. Australian cheese is now unknown in Britain, and annual sales of 100,000 tonnes of beef have shrunk down to 8,000 tonnes.

"We are among the world's cheapest exporters of agricultural produce yet we just can't get access," Mr. Garland said in London last week. "Our steel is under threat and now we hear of these subsidies on steam coal."

But Australia's problems did not stop there, he added. The EEC spent vast sums stimulating its "largely inefficient" agricultural industry, building mountains of surpluses and then to cap it all, dumping the surpluses on world markets which Australia has been cultivating to replace its losses in Europe.

The complaint is familiar. But the Australians' response is unusual when compared with countries in a similar situation, such as New Zealand.

The New Zealanders, who probably have a more urgent if less serious complaint, maintain a profile so low as to be all but invisible. But Mr. Garland now has staff working on his behalf in all nine capitals.

In Washington, before flying to Europe, Mr. Garland won U.S. support for his campaign to persuade the EEC either to sign the new International Sugar Agreement or to work within its guidelines. Most of the world's major sugar producers have signed and agreed to limit their sugar production and exports in an attempt to bolster and stabilise prices.

The EEC, on the other hand, is still uncommitted and has on its hands this year an estimated 3m. tonnes of surplus sugar. Subsidising and off-loading this amount on the world market would at best delay the benefits expected from the ISA, and at worst bring the whole painstakingly-built edifice crashing down.

Also, Mr. Garland told journalists: "We reached an agreement with the U.S. to work in the Multilateral Trade Negotiations for a code of behaviour for subsidised exports.

"This would limit and control the spread into world markets of heavily subsidised agricultural production, especially from the EEC."

Australia is clearly and properly concerned that negotiations over its differences with the European Community should be carried out in an orderly and dignified fashion at the MTN in Geneva. Mr. Garland knows how intractable the EEC has proved in the past, but draws considerable comfort from the knowledge that if what he terms his "firm but polite" approach fails he still has the big stick—nuclear fuel—up his sleeve.

Slowdown in M. East for U.S. builders

NICOSIA, Feb. 27.

CONSTRUCTION CONTRACTS in the Middle East won by U.S. companies during 1976 were $4.5bn. in 1976 but failed to regain in 1975 high, according to industry sources, calculating...

More than half the ... by the U.S. concerns ... to European-owned ... companies. Also in the ... are South Korean, ... Philippine, Pakistani ... Japanese companies, ... local ones.

U.S. companies have been hampered by Washington's ... sion to tax housing and ... tional allowances of ... U.S. workers and by U.S. ... lation against the Arab ... of Israel.

Stanford Research ... says U.S. companies ... about 15 per cent. of the ... struction awards in ... Arabia, once their ... AP-DJ

Dutch win £23... pipeline project

By Charles Batchelor

AMSTERDAM, Feb. ...

ADRIAAN VOLKER ... and the Norwegian Aker ... have jointly won a ... worth Fls.100m. (£23.5m.) ... Norpipe of Stavanger to ... part of the 36-inch Ekofisk-Emden gas pipeline. A ... ship will cover the pipeline ... depth of between 60 and ... metres, with a mixture of ... and sand.

Ballast-Nedam International and Overseas Construction ... pany jointly received a Fls. ... (£24m.) order to build a ... factory at Mbeya in Tanzania ... completion within 26 months. Amsterdam-Rotterdam Bank ... provide financing.

Nigeria buys U.K. pl...

PD Pollution control and Geesink, both subsidiaries of Powell Duffryn Group of Britain, are to supply an £11.5m. ... disposal plant and technical package to the Lagos state Government in Nigeria. PD Pollution Control, acting as a consultant, will help to create organisation and infrastructure and PD Geesink will provide collection vehicles and equipment.

UNS

Vietnam imports st...

Japan will export 200,000 ... of carbon steel annually ... three years to Vietnam, starting next April, AP-DJ reports from Tokyo. The contractors ... Nippon Steel, Nippon Kokan, Kawasaki Steel, Sumitomo Metal Industries, Toyo Kohan and ... Steel. Payment will be by ... on delivery.

Sino-Indian talks en...

A 15-member Chinese trade delegation left India yesterday for Peking after a fortnight's discussions on increasing two-way trade, K. K. Sharma writes from New Delhi. China is interested in buying iron ore, pig iron, shellac, rubber and manufactured items such as steel tubes, steel products, mining equipment, earth-moving equipment, oil drilling rigs, tractors, machine tools and dyes and dye intermediates. Goods offered for export to India include non-ferrous metals, tin, silk, newsprint, basic chemicals and some pharmaceuticals. China is willing to trade with private companies.

£500,000 pump exp...

The complete pumping installation for a big dry dock in South Korea is to be built by Weir Pumps in Glasgow and Alloa for more than £500,000. The order for the Korean Shipbuilding and Engineering Corporation has been placed by Herbert Morris of Loughborough, which has won a $... contract as a main contractor for the complex.

HOME NEWS

[N]ew Zealand sued [fo]r £1.5m. levy [o]n imported butter

[BY D]AVID CHURCHILL

[AN AD]MINISTRATIVE error by [Cus]toms and Excise has led [to] action to recover £1.5m. [...]y underpaid in butter levy by the New Zealand [B]oard in 1975.

Customs said yesterday [in] spite of a mix-up over documents the Dairy [Board] was still liable to pay [the ext]ra levy. Following the [failure] to reach a negotiated [settleme]nt with the Board, the [Customs] has taken out a writ [...]on in the High Court. [The d]ispute arose in December, 1975, over a consignment of butter from New Zealand due to be unloaded at Sheerness and Cardiff. The Dairy Board is said to have presented the relevant import documents on which the levy is based before the ship actually docked.

These were approved by the Customs, but by the time the ship had docked in the U.K. the rate of import levy on New Zealand butter had been increased. The Customs therefore asked the Dairy Board for the extra £1.5m.

[Ch]ina clay production [do]wn by 5,000 tonnes

[FINA]NCIAL TIMES REPORTER

[CHINA] CLAY production in the [...] the quarter ending in [...] showed a slight down[turn of] 5,000 tonnes to 668,000 [...] compared with the same [period l]ast year.

[...]s rose 2,000 tonnes to [...]onnes but home produc[tion of] 30,000 tonnes was down [...]nes.

[...]ignificance should be [...] to the downturn, the China Clay Association said yesterday, adding that the shortfall in the quarter equalled about half a boatload.

Last year's production figures for china clay, which goes into paper, ceramics, rubber and paint, showed a 12 per cent. rise to 2.8m. tonnes.

English China Clays, based at St. Austell, Cornwall, accounts for about 80 per cent. of U.K. production.

[B]arclays rejects [ne]ed for 'corset'

[BY M]ICHAEL BLANDEN

[THERE] IS no immediate need [for Gov]ernment measures to [curb t]he money supply, either [through] the re-imposition of the corset controls on banks [or throu]gh a rise in short-term [interest] rates, says Barclays [...].

[The b]ank's economists see a [...] however, that the [...]es could be pushed into [...]ted action by the [...]hich the big clearing [banks ha]ve been making to pro[tect th]emselves *against a reintroduction* of the [...].

[The] latest issue of the [bank's] U.K. financial *survey* [says th]at there should not be [...]le problems for the [Governm]ent in keeping within [the mone]y supply targets for the [...] year.

[T]he increase in sterling [...] month to mid-January, [...] lies that to hold the [...]ithin the top end of the [... per] cent. official target the [...]s can allow a further [...]nly about 2 per cent. in [...] months to mid-April. [...]g for rises in bank [lending] to the private sector, [...] estimates that the [public s]ector *contribution to* [...] credit expansion would have to be limited to some £500m. over the last three months of the year to hold money supply growth down to 13 per cent.

With the public sector borrowing requirement expected to be £6.5-7bn. for the full year, implying an upper limit of £2bn. for the final quarter, this means that net sales of public sector debt the non-bank private sector would have to approach £1.5bn. over the rest of the year.

"Such a *requirement* is modest by recent standards," Barclays comments. In the year to the third quarter of 1977, the average quarterly take-up of public sector debt by the non-bank private sector exceeded £2.2bn. "These figures, therefore, do not point to a need for an early re-introduction of the supplementary special deposits scheme (the corset) nor for any immediate increase in short-term interest rates."

Looking ahead to next year, the survey argues that lending to industrial and commercial companies *will not significantly* exceed this year's 10 per cent. growth rate. But the personal sector could see an expansion of *25 per cent. and provide* the main source of loan demand.

[Ch]ange in balance-sheet [rul]es recommended

[BY C]HRISTINE MOIR

[COMPAN]IES *should* include in [their fi]nancial statements events [which o]ccur *after the balance* [sheet da]te while accounts are [being p]repared if those events [material]ly alter the conditions of [assets an]d liabilities at that date.

[Where] similar events have [occurred] which do not affect the [position] at the balance sheet [date but] do represent abnormal [changes] to assets or liabilities [since th]at date, then companies [should n]ot revise their accounts [but sho]uld disclose details in [notes t]o the accounts, the [Accounti]ng Standards Committee [recomm]ends.

[The fi]rst sort of event would [be the p]ayment of an insurance [claim wh]ich was being negotiated [at the b]alance sheet date. The [second] might be loss of stock [because] of flooding which [occurred] *after the balance sheet* [date].

[In its] latest exposure draft, the committee also recommends that events which occur during *this interim period between the* financial year end and the publication of the results which do not alter the balance sheet but which need to be taken into account if the company is to be fairly evaluated, should be disclosed in notes.

The draft will be open for comment until August 1. One area where comment is invited is how long the post-balance sheet period should be. The present notion is that it should last until "the date on which the accounts are approved by directors"—but this needs interpretation.

ED22: Accounting for post balance sheet events; Accounting Standards Committee, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2.

[La]nd for private house [bu]ilding critically short

[BY M]ICHAEL CASSELL, BUILDING CORRESPONDENT

[LAND f]or private house building [is beco]ming critically short, [accordin]g *to some of the* [country']s largest housing con[tractors].

[The] Volume Housebuilders' [G]roup, which represents [the m]ajor housing construction [compani]es, says that the land [situation] is deteriorating, in spite [of Gove]rnment statements to the [contrary].

[In a sta]tement issued yesterday [the] group blames the Com[munity] Land Act and develop[ment la]nd tax, but claims that [these tw]o factors "are relatively [minor w]hen compared with the [in]transigence, procrastina[tion an]d lack of comprehension [of mo]st of the planning [authorit]ies."

[The] builders say that in 1976 [and 197]7 they just managed to [mainta]in land banks at reason[able le]vels—largely by buying plots from other builders or from failed contractors — but they doubt whether the situation can be repeated over the next two years.

The consequences of the land shortage will be rising prices for development sites and a slowdown in the already low level of private housing output.

The supply of new houses for sale will fall rapidly in the second half of 1979 and 1980 and selling prices "will inevitably increase at a faster rate than at present." *Unemployment* will increase in the construction sector.

The group added: "It is difficult to reconcile our own experience and the fact that land prices are rising rapidly with the Department of the Environment view that the position is not serious and that adequate land is being made available."

Courtaulds man to join Enterprise Board

A DIRECTOR of Courtaulds with experience in chemical engineering and general industrial management is to be deputy chairman of the National Enterprise Board. He is Mr. Richard Morris, 52, seconded by Courtaulds for four years.

His appointment was announced announced yesterday by Mr. Eric Varley, Secretary for Industry. He fills the post vacated by Sir Leslie Murphy, who became chairman of the NEB last August in succession to Lord Ryder.

Mr. Morris's salary will be £27,550 a year. The main purpose of his secondment is to protect his pension rights with Courtaulds, where he has worked for 27 years since gaining a chemical engineering degree at Birmingham University.

But the secondment arrangement also means that a fairly small difference between Mr. Morris's existing salary and that at the NEB is to be made up by Courtaulds.

The four-year period will take him beyond the retirement age of Sir Leslie Murphy, 62, and *Mr. Morris could therefore* succeed to the chairmanship.

His background in the troubled textile industry has given Mr. *Morris special experience of the* usefulness of Government intervention in industry.

He said yesterday: "There are too many sectors of industry which need some sort of assistance either through the injection of cash or the rearrangement of their business.

"If we don't do something about this then one by one different sectors of industry will collapse and atrophy away.

"There are plenty of examples of under-investment, of problems in overseas markets, and of a lack of sufficient organisation to cope. In these areas, friendly help is needed from an organisation with a low key and business-like commercial approach."

These views of the function of the NEB are very similar to those of Sir Leslie, who recommended Mr. Morris to Mr. Varley from a short list of five. Initially Mr. Morris, who joins the NEB on April 10, was found by a company employed by the Department of Industry.

His basic industrial experience will complement Sir Leslie's banking background. He will have overall co-ordinating responsibility for the companies owned by the NEB, apart from British Leyland and Rolls-Royce.

He will be chairman of the NEB's two regional boards in Newcastle and Liverpool, and be *responsible for co-ordinating* the Board's acquisitions, especially among smaller and medium-sized companies.

Mr. Morris is a part-time director of British Nuclear Fuels, a member of the Advisory Council on Energy Conservation and is this year's president of the Institution of Chemical Engineers.

MR. RICHARD MORRIS

In the 1950s he held works *management and then senior* executive appointments in Courtaulds companies such as British Celanese, National Plastics and, later, British Lego.

He joined the main Courtaulds Board in 1966, but for most of his career has had more to do with the group's technical work than its mainstream textiles business.

Under his direction there have been various technical breakthroughs, including most recently development of Courtaulds' absorbent cellulosic fibre, Viloft.

Imperial cuts jobs as market falls

By Stuart Alexander

MORE JOBS will be lost this year at Imperial Tobacco's two manufacturing divisions, W.D. & H.O. Wills and John Player. Wills has factories at Bristol, Swindon, Newcastle-upon-Tyne and Glasgow; John Player is based at Nottingham.

The moves come at a time of difficulties for Imperial in a falling cigarette market. In the 12 months to October, tobacco accounted for less than half of Imperial Group profits for the first time in the company's history.

Imperial said last night that the companies would continue to balance the labour force with production needs and this would be achieved through a policy of natural wastage and no recruitment. *It could not give an indication of the extent of the cuts.*

At John Player, working parties have been set up with employees *representatives* to arrange a limited number of voluntary redundancies or early retirements, and the gift voucher departments at both Wills and Player have been run down as the demand for coupons has died.

Most of the reduction will be among production workers.

Tea price-controls to be implemented at wholesale level

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

TEA BLENDERS will have to cut prices by 5p a quarter under Government plans published yesterday.

The controls, spelt out in a consultative document, are to be imposed at the wholesale level and the maximum permitted selling price will be related to the price being charged last week.

The plan follows the Government's failure to persuade the four major companies—Brooke Bond Oxo, Lyons Tetley, Typhoo Tea and the Co-operative Wholesale Society—to reduce their prices voluntarily as recommended in the Price Commission's report published last week.

The powers are being taken under the 1974 Prices Act which until now has only been used to set maximum prices on food receiving a Government subsidy.

The tea companies were still hoping yesterday that their *lawyers would be able to* establish that the Prices Secretary has no legal basis for using the Act in this way, though the Department of Prices has apparently advised that this is a perfectly proper use of the legislation.

The retail price will not be controlled by the order, though the trade has already promised to pass on any reductions in full.

Shops must be given at least a month to clear stocks of tea bought at the higher price *before being asked to make any* reductions, blenders said.

Under the proposals circulated yesterday, the tea blenders would not be able to sell blended teas at prices exceeding those charged on February 22. The maximum price would be related to whatever price any particular trade customer was paying last week.

The retail price will not be controlled by the order, but the *trade has already promised* to pass on any reductions in full. Yesterday, they warned, however, that the shops must be given at least a month to clear stocks of tea bought at the higher price before being asked to make any reductions.

The Government evidently hopes to implement the controls as soon as possible—perhaps before the end of March. The tea companies are to see officials *from the Department of Prices* again on Thursday and interested parties have been given until next Tuesday to make representations. *An order,* subject only to negative resolution, will then be laid.

Though the tea companies showed no signs yesterday of giving into the Government, the Department is still hopeful that they will eventually co-operate voluntarily.

Britain 'should keep up her imports of oil'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BRITAIN SHOULD import oil from the Middle East even when the North Sea produced more than our total annual consumption of crude, the Scottish Council for Development and Industry says in a review of the oil and gas industries, published yesterday.

The heavy or "black" products — gas oils, diesel and fuel oils — account for 60 per cent. of U.K. consumption, whereas North Sea crudes were mostly light in character, giving a higher percentage of refined products such as gasolene, white spirits, naphtha and kerosene.

To match U.K. demand and benefit fully from processing North Sea oil, Britain should continue to import about 55 per cent. of the heavier Middle Eastern products.

Surplus production from the North Sea should be exported mainly as crude.

"By the mid-1980s, this could mean about 60m. tons a year of Middle East and other crudes being imported and between 100m. and 130m. tons a year of North Sea crude being exported. The net improvement in balance of payments might therefore be of the order of £4bn. to £5.5bn. per annum," the council says.

In spite of the high production costs of North Sea oil, its low sulphur content would mean a continuing demand for it, particularly from countries with air pollution legislation, such as the United States, France, Germany and the Low Countries.

Britain could also benefit from the export of surplus gas, particularly if a gas gathering pipeline system is constructed.

But the involvement of foreign companies in the oil industry was bound to reduce the overall benefit to the U.K. balance of payments. By the mid- to late-1980s, the total net effect could be between £5.7bn. and £8bn. a year.

U.K. Oil and Gas Situation Review. Scottish Council for Development and Industry, 1, Castle Street, Edinburgh. £1.75.

North Sea fields may be left undeveloped

BY RAY DAFTER

NORTH SEA oil operators may be forced to leave undeveloped a number of sizeable fields, oil and gas equipment suppliers were warned yesterday.

Oil companies are being squeezed between rising development costs and a drop, in real terms, in oil prices, Mr. Bob Scott, editor of World Oil, told a meeting in London.

"If oil prices remain stable into the 1980s, and similarly assuming that development costs continue to escalate, operators will have to by-pass ever-larger fields, because even though they may contain reserves which last year would have been considered commercial, higher costs will make them non-paying ventures."

These comments follow a recent warning from Lord Kearton, chairman of British National Oil Corporation, who told a Commons Select Committee that unless a dramatic rise in oil prices occurred, the North Sea bonanza could be over.

Within the oil industry, it is felt that crude oil prices might remain stable.

The U.K. sector of the North Sea could account for about 34 per cent. of Western European drilling activity this year, Mr. Scott said.

Of the 230 wells likely to be drilled on the U.K. continental shelf, most would be concerned with oil field development rather than exploration.

Leyland plans £17m. truck parts unit

LEYLAND is to build a £17m. centralised parts complex for its truck and bus division at Chorley, Lancashire. It will also move manufacture of parts for out-of-production vehicles to a new purpose-built factory at the nearby Common Bank industrial estate from its present Chorley site.

The parts complex will make extensive use of computers and mechanisation in a bid to reduce the time lag between orders being received and despatched.

It will cover all the marques of Leyland trucks, buses and tractors. Field trials have already been completed with a number of distributors of a system named Tablet (Truck and Bus Leyparts Enquiry Terminal).

Leyland hopes that it will be able to process within three hours orders for vehicles off the road in any part of the world.

Within the U.K., it has set up a daily drop van service and in conjunction with the cars parts operation, has campaigned to persuade more repairers to buy their parts direct from Leyland.

With the centralisation at Chorley and a forecast growth in the parts business, Leyland expects to increase its stockholding by 80 per cent. over present levels.

Employers are warned on pensions deadline

BY ERIC SHORT

EMPLOYERS who fail to inform the Department of Health and Social Security by April 6 that they intend to contract out of the State pension scheme starting on that date will be liable to pay the higher-rate National Insurance contributions not only on their own account but also for their employees.

This liability is disclosed in leaflet NP37 issued by the Department explaining the special arrangements for employers who do not receive their contracting-out certificates by April 6.

The Occupational Pensions Board, responsible for issuing the certificates, will not be able to process them all before that date.

The Department has made special arrangements for employers wishing to contract out not to pay the higher insurance contributions.

Under these arrangements employers must have sent their applications to the Board by March 23, and specifically asked for the certificate to take effect from April 6.

They can then apply to pay the lower-rate contributions applicable to contracted-out schemes.

Inheritance 'is a main source of inequality'

THE INHERITANCE system is a main source of inequality, Mr. Elfryn Jones, a member of the Royal Commission on the Distribution of Income and Wealth, said yesterday.

The strength of the inheritance system explained why the richest 5 per cent. in the country owned nearly half of all the U.K.'s personal marketable wealth in 1973.

Comparisons with earnings figures showed that Britain's plutocrats could not possibly have saved up all their assets. The top 5 per cent. of all wages and salary earners accounted only for about a fifth of all incomes, Mr. Jones, an actuary, pointed out in a progress report presented to the Institute of Actuaries.

Out of a total Inland Revenue figure for wealth of £164bn., £40bn. had been inherited, and £100bn. saved up, with the balance coming from entrepreneurial fortunes and windfalls such as winning the pools.

Estimation of the Magnitude of Accumulated and Inherited Wealth, by Elfryn Jones F.I.A.; available from the Institute of Actuaries, Staple Inn Hall, High Holborn, London, W.C.1.

Takeover Panel methods 'to stay'

By Margaret Reid

LORD SHAWCROSS denied yesterday that the City Takeover Panel, of which he is chairman, was to change its procedure for considering certain complex cases where large share blocks in a company were being acquired.

There has been some suggestion that the full panel, as distinct from its full-time executive, might in future be brought into the decision-making process at an earlier stage where difficult cases under Rule 34 of the Takeover Code were in question.

Rule 34 broadly requires that a party, or parties acting together, acquiring a stake of 30 per cent. or more in a company's voting capital must make a general bid to all shareholders.

Lord Shawcross spoke against the background of rulings that no full-scale bid need be made in the complex affair of Wilkinson Match, or of Regional Properties, where a deal with Friends Provident Life Office was announced last night.

Referring to "rumours that that panel was considering changing its rules," he said that "While the implications of Rule 34 are kept under constant review, both by the panel and the executive, each case is dealt with on its own particular facts as they appear when presented to the executive."

In the case of Regional Properties, where Friends Provident is taking a near-30 per cent. stake and, if regional shareholders agree, also subscribing for £8m. of convertible debenture stock, which if converted later would raise its share stake, the panel has approved the deal.

In the Wilkinson Match case two deals were at first in question, the combined effect of which would have been to give the U.S. group Allegheny Ludlum Industries 51 per cent. of Wilkinson, without a general bid being made.

The plan was changed so that Allegheny would end up with only 44.4 per cent. of Wilkinson.

FT CONFERENCE ON WORLD BANKING 1978

Time to replace floating rate

BY DAVID FREUD

THE INTERNATIONAL floating exchange-rate system has fulfilled none of the boasts originally claimed for it, Mr. Harold Lever, Chancellor of the Duchy of Lancaster, said yesterday.

On the first morning of the two-day Financial Times conference on world banking in 1978, Mr. Lever said that another few years of unemployment and currency instability would lead to serious inroads into the financial and political co-operation of the western world.

Instead of floating rates, the West must develop a system to enhance international monetary and economic co-operation.

The world's economic health was plagued by the tiny proportion of total world production represented by national imbalances.

A policy of deflation was the worst way for countries to get out of deficit. Depressing demand inflicted long-term harm on their own economies, and injured world trade.

"The level of international co-operation which backed the development of interdependence in the first 20 years of the post-war period has diminished and it has to be restored.

"The alternative is that we will lapse into protectionism, that restrictions on trade will grow, and the ability to use the skills and drive of the non-Communist world will no longer be maximised," Mr. Lever said.

"The national imbalances plaguing us, in spite of what seem the astronomical sums involved, are only a tiny percentage of the huge volume of annual wealth-creation in the world."

Small as this proportion was, our failure to respond adequately threatened the world's entire financial and economic achievement. "Irresponsible, self-serving unilateralism offers us only a miserable prospect of mounting mutual injury and bad feeling."

In his opening address as chairman, Dr. Irving S. Friedman, senior vice-president of Citibank, New York, said that, despite elasticity in present exchange-rate arrangements, governments had been obliged to borrow in the international money and capital markets at record rates. Floating exchange rates had provided only partial assistance in adjustment.

Despite the degree of shock absorption in present exchange-rate arrangements, the rates of change in world production and trade had resulted in a rise in pressures for protectionism in many countries.

"Even bilateralism is again gaining respectability, after the years spent in the 1950s creating a multilateral system of trade and payments.

"Similarly, the rates of change in world production and trade have been constrained by continuing inflationary expectations and intractable rates of inflation in many countries," Dr. Friedman said.

The position of the International Monetary Fund at the centre of the monetary system was especially critical. The fund's limited financial resources and governments' reluctance to weaken sovereign powers, had not permitted it to play its appropriate role in the international monetary system for several years.

The International Monetary Fund would soon be strengthened, however, as its quotas were increased by $11.7bn.—an increase of some 33 per cent. from the present quota total of approximately $35bn.

M. Francois-Xavier Ortoli, vice-president of the EEC Commission, said the main economic arguments advanced for more than 10 years to justify Economic and Monetary Union in the Community had lost their strength.

"Economic and Monetary Union would undoubtedly boost growth and underpin equilibrium in our economy," he said. "By enabling economic forces to work freely in a large market nearing completion, it would ease the return to steady expansion and a satisfactory level of employment.

"By increasing the effectiveness of demand management policies, it would contribute to greater price stability in the Community."

The Commission had been forced to recognise that immediate union was not a practical proposition. Too many differences still remained.

But if Economic and Monetary Union could not be implemented immediately, it was still the right goal in the medium term. The Commission had submitted a five-year programme to the European Council designed to lead to union.

"We are pressing for close co-ordination of budgetary and monetary policies, stronger mutual assistance machineries and prior consultation on national, short-term economic policies to ensure that they fit together and thus enhance one another."

MR. HAROLD LEVER . . . seeking new system

One danger to progress was defeatism. "Europe is rich in manpower, rich in technique, rich in capital. Europe has a future, but we must organise this future and we cannot do this unless we pull ourselves together and snap out of this mood of pessimism," Mr. Ortoli said.

Herr Manfred Lahnstein, top civil servant in the West German Finance Ministry, believed there should be a two-tier Community for a period.

In his address, entitled "How Much Integration in the European Community?" he said complete integration was an unrealistic prospect.

"The similarities are not there. It is enough to look at the performance of the different countries. I cannot find the political climate that would enable us to make progress in fields such as defence or pure politics.

"On the other hand, we are faced with intricate and, to a large extent, trans-national problems."

Mr. Norman Robertson, senior vice-president of the Mellon Bank, Pennsylvania, estimated that the U.S. current account deficit would increase from $18bn. last year to about $23bn. this year.

Lack of spending on new plant and equipment threatened to cut short present economic expansion and also had sombre implications for the longer term. This was because there was "more uneasiness and uncertainty about the longer run economic future than at any time since the great depression."

A second reason was a decline in corporate profitability, which meant that internal cash generation had barely been adequate to maintain existing facilities, let alone embark on major programmes of modernisation or expansion.

Mr. Robertson expected short-term U.S. interest rates to remain on a rising trend, climbing perhaps another full percentage point before reaching their cyclical peak. A solid 4½ per cent. gain in real growth national product in 1978 was likely, but 1979-80 could be quite a different story.

Sig. Rainer S. Masera, head of the international financial section of the Banca d'Italia, argued that a different approach to international liquidity creation was needed.

"Exchange rate movements cannot solve the problem of liquidity, but might, under certain circumstances, help towards long-term adjustment. The advantages can be seen of thinking again of schemes of limited exchange rate flexibility."

The International Monetary Fund should play the role of controller of the growth of international money and of lender of last resort.

Mr. Gengo Suzuki, chairman of the Associated Japanese Bank (International), said the world economy was a going concern built on a foundation of interdependence, co-operation and friendship.

The destruction of this foundation would lead to the destruction of world economy.

Mr. Shapur M. Shirazi, vice-governor of the Bank Markazi Iran, also addressed the conference.

Number of civil servants down 8,200

GOVERNMENT statistics out next week will show that the size of the civil service has fallen to its lowest level for over two years.

The figures, to be published in the Monthly Digest of Statistics, will show that there were 738,000 civil servants at January 1, 1978—a drop of almost 8,200 on the previous January's figures and the lowest since October 1975.

Moreover, the figures show that the size of the service fell by 3,300 alone in the last quarter of last year—indicating that the

● NEWS ANALYSIS

BY DAVID CHURCHILL

Government's tougher line on Civil Service manpower is beginning to bite.

This attitude was forced on the Government by the staggering growth in the bureaucracy in the mid-1970s. Between January 1975 and January 1976, the Civil Service grew by more than 51,000 employees, or about 7 per cent. of the total.

Although just under half this growth was due to the inclusion of the Manpower Services Commission within the Civil Service, the rest was due to a combination of new legislation and high unemployment requiring extra manpower.

This urgent need for more staff, however, had the effect of loosening traditional checks on manpower growth—with the resulting explosion of staff. The action taken by the Government was two-fold. In the first place a freeze was placed on new recruitment and, in early 1976 when manpower reached the record high of 747,600, each department was asked to put forward measures aimed at cutting 26,000 posts by the end of the decade.

Secondly, the Government instituted a vigorous campaign of pruning the running costs of administration, including manpower. The latest evidence of this was the memorandum from the Prime Minister to all Whitehall departments to make savings of £80m. in administration over the next two years.

Apart from these specific measures, responsibility for ensuring that the bureaucracy stays under control rests with a small team of about 440 civil servants, called Staff Inspectors.

Their job is to examine every Civil Service post and its relationship to departmental procedures and then to decide if it is really necessary.

Staff inspection as a routine management control technique developed after the last war. Before then, not one additional clerk or cleaner, let alone anyone of more exalted rank, could be engaged by a department without the authority of the Lords Commissioners of the Treasury.

After the war the procedure proved unworkable as the Civil Service increased in size, but to ensure that the Treasury retained some control the system of staff inspection was introduced.

Responsibility for staff inspection was subsequently taken over by the Civil Service Department. There are now about 400 full-time inspectors operating within all Government departments, with a further 40 in the Department, who monitor the staff inspection process in other departments.

The function of the staff inspector, as defined by the Department, is to get the organisation, numbers and gradings right. It is not intended as an arbitrary staff-cutting mechanism.

Inspectors aim to review each Civil Service staff job every three years, although in practice this is nearer to four or five years. They emphasise that it is not the civil servant holding a particular job who is under scrutiny, but the job itself.

But while the system of staff inspection has worked reasonably well since the war in helping to improve Civil Service efficiency, it failed to stop the surge in staff growth in the mid-1970's.

Because of the demands of new legislation and the need for extra staff to cope with rising unemployment, staff inspectors fought a losing battle in controlling individual departments seeking to increase staff levels to cope with demand.

The inspectors found that the manager who kept manpower down to a minimum and then could not cope with an emergency tended to get far more blame than the manager who was found to have too many staff.

Massey Ferguson to lay off 4,800 workers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SHORTAGE OF demand will force Massey Ferguson to halt production and lay off nearly 4,800 at its Coventry plants during Easter week.

The company also warned shop stewards yesterday that similar action would almost certainly be necessary before the end of April.

Mr. Scott Glover, director of the Coventry factories, told the unions: "At present, I cannot see the period beyond the end of April reflecting any significant improvement in programmes. In fact, a number of markets will need to improve to support our present production programmes."

The company has promised to provide a forecast of sales early in April for the ensuing 12 months.

The Coventry plants account for more than 20 per cent. of Massey Ferguson's farm tractor production worldwide, and supply about 40,000 sets of components for assembly overseas.

About 80 per cent. of production is for export. Massey Ferguson has been particularly vulnerable to the downturn in international markets, particularly the U.S., Turkey and Pakistan.

Massey Ferguson said last night that layoffs would almost certainly have to be effected earlier than planned because of a dispute at GKN Sankey, which supplies a wide range of components.

International Harvester of Great Britain announced two weeks ago that it was cutting the labour force of its Bradford tractor plant by 310 because of Turkey's economic problems.

Massey Ferguson traditionally battles with Ford for leadership in the U.K. market, but suffered last year from a damaging 11-week strike and an occupation of the plant.

Over recent weeks the Coventry factories have sought extra work and redeployed labour to avoid lay-offs. The company said that the Easter lay-off will extend into the following week for about 1,000 employees in the machine shops.

Management intends to find work on maintenance and stock-taking for some people during the shutdown.

Tougher standards for new teachers

Financial Times Reporter

PEOPLE WANTING to become teachers must reach minimum levels of numeracy and literacy in future before joining training courses. Mrs. Shirley Williams, Secretary for Education, has decided in a move to tighten up teaching standards.

From September 1980, all applicants for initial teachers' training courses must have an "O" level or CSE in English and mathematics to an appropriate standard or they must be able to show they have reached the same level by some other way.

No exemptions from the new regulations are planned, because they would be difficult to administer equitably. But teacher training institutions should make arrangements to help candidates with no formal qualifications in English or mathematics.

The new regulations will cover entrants to all graduate and post-graduate courses.

The move endorses the proposals of the 1977 Advisory Committee on the Supply and Training of Teachers. Until now it has been up to individual training colleges to apply their own entry standards.

Steel industry set to disobey EEC order on protection

BY JOHN LLOYD

THE dispute between the British steel industry and the European Commission worsened yesterday when it became clear that the steel producers and the stockholders' association were unlikely to obey an EEC directive to drop plans to protect the U.K. steel industry.

The National Association of Steel Stockholders told members by letter that it thought it "incredible" that one section of the Commission should attempt to destroy the work of another.

Last week M. Raymond Vouel, Competition Commissioner, wrote to the British Steel Corporation and the British Independent Steel Producers' Association, telling them to stop signing agreements with stockholders which would make the stockholders buy 95 per cent. of their steel from EEC sources, and sell it at U.K. producers' list prices.

British Steel, the independent producers and the Steel Stockholders, who supported the agreement, claim that they are acting in the spirit of the plans drawn up by Viscount Davignon, the EEC Industry Commissioner.

M. Vouel claims that they have greatly overstepped the limits of the Davignon plan.

The stockholders' association letter, which reached most members yesterday, tells members to ignore reports of the EEC's position, and asks stockholders to sign the agreements.

The letter says that both British Steel and the independent producers support the position and claims that it has "Government backing." The Government has not been directly involved in the dispute, but it is understood that it does, unofficially, support the British Steel and independent producers agreements.

Roads lobby urges M1 route switch

THE NORTHERN Road Users group, a transport lobby based in Newcastle, is urging Mr. William Rodgers, the Transport Secretary, to drop plans to extend the M1 north from Yorkshire on a line to the east of Leeds and to switch instead to a westerly route.

Bournemouth airport subsidy ended

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Civil Aviation Authority is to stop paying for air traffic control facilities at Bournemouth (Hurn) airport from March 31 next year. After that the local authority will be responsible for these charges, totalling several hundred thousand pounds a year.

The aviation authority feels that it should not continue to subsidise air navigation services at Bournemouth indefinitely with revenue derived from other airport users elsewhere.

● The Stansted Airport Action Group, representing unions and workers in the Stansted (Essex) area, is campaigning for the development of that airport to 4m. passengers a year from the present 300,000, as outlined in the Government's recent Airports Policy White Paper.

Mr. M. Newman chairman of the group, says that "in an area dying on its feet so far as local employment is concerned," the busier airport will provide much-needed jobs.

Other points in favour of expansion are that the development will take place within the existing airport boundaries, a new runway need not be built, and no arable land will be destroyed.

"The people who will be employed are the types of person living locally who are at present out of work. There will not be a huge influx of workers into the area," Mr. Newman said.

Coal and Steel Community aids gift-ware maker

INDUSTRIAL AND Commercial Finance Corporation has arranged a loan of £120,000 from the European Coal and Steel Community for Abrahams, of Gateshead, a glass and metal gift-ware producer. It will use the five-year loan to help finance expansion of lead crystal manufacturing.

Industrial and Commercial, main private-sector source of medium and long-term capital for smaller companies, administers special loan facilities from the Community for private business.

The loans are available for capital projects creating new jobs in areas with redundant miners and steelworkers.

Campaign to attract industry to Bristol

FINANCIAL TIMES REPORTER

BRISTOL yesterday launched a campaign at attract more industry to the city with the opening of an exhibition in London.

The city felt that it suffered compared with nearby authorities in South Wales from its lack of assisted-area status. It saw companies encouraged to Wales and then rewarded with development area grants.

Cllr Charles Merrett, leader of Bristol city council, said yesterday that the city had never received Government financial help. It had had to go-it-alone to attract industry and commerce. The Royal Portbury Dock development was an example of the success the authority had achieved.

Bristol wants new manufacturing industry and the exhibition points to all the available facilities.

The Board will consider all development from conference facilities and tourism to manufacturing.

Bristol City council is making land available within the city boundaries and opening sites at nearby Avonmouth. It is building 1,000 square foot nursery units to encourage small companies.

Drink trade blames tax for sales drop

BY KENNETH GOODING

THE DIFFICULTIES faced by Britain's wine and spirit traders last year are reflected in Customs and Excise statistics which show total spirits sales down 14 per cent. compared with 1976 and a drop of nearly 6.5 per cent. in wine clearances from bond.

Both sides of the trade blame high duty rates for the decline. Mr. John Plowman, chairman of the Wine and Spirit Association, said: "The wine trade has declared time and time again to the Chancellor of the Exchequer that over-taxation of wine strangles business.

"The same point has been put repeatedly by the EEC Commission. Wine is a major agricultural product within the Community and our partners are understandably irate when the U.K. gives apparent preference to its own products."

Mr. Adam Bergius, chairman of the Scotch Whisky Association's Information and Development Committee, said: "The Government has seriously miscalculated the extent to which the public would be prepared to dig into their pockets to help balance the nation's accounts."

The Wine and Spirit Association insists that trade has stagnated at a level effectively below that of 1973 and that Treasury receipts from wine have fallen while—because unemployment in the trade increased 5 per cent. last year—expenditure on unemployment benefits has increased.

Customs and Excise statistics reveal that clearances from bond of table wines fell by 6.2 per cent. or 2.46m. gallons to 37.5m. gallons last year compared with 1976. Heavy wines, mainly port and sherry, were down 22 per cent. or 3.7m. gallons to 13.25m. gallons. Sparkling wines slipped 10 per cent. or 302,000 gallons to 2.8m. gallons.

This resulted in imported wine clearances falling 8.2 per cent. However, British "made" wines—sherry and port types produced from imported grape juice, recovered from recent doldrums and saw a 4.7 per cent. rise, or 529,000 gallons, to 11.8m. gallons.

As for spirits, Scotch whisky blends were down 17 per cent. to 15.5m. proof gallons, gin fell 18 per cent. to 4.8m. gallons and Vodka recorded a 7.4 per cent. fall to 3.2m. gallons. Rum was down 12 per cent. to just under 3m. gallons and brandy slipped 13 per cent. to 2.2m. gallons.

LABOUR NEWS

Reject incentive scheme say Leyland stewards

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS shop stewards are to recommend rejection of the company's new incentive scheme in a ballot of the 100,000 manual workers.

The 200 senior stewards decided in Coventry yesterday to oppose the deal, which the management claims could yield up to £8 bonus a week for each employee.

Fears that the proposed productivity scheme would expose the workforce to further redundancies was an important factor in swaying opinion, according to Mr. Grenville Hawley, National Automotive Secretary for the Transport and General Workers Union.

He said that stewards were suspicious of plans to improve output performance at a time when Mr. Michael Edwardes, chairman of British Leyland had said that the company could sell no more than 819,000 vehicles this year — a 20 per cent. reduction on previous targets.

"Against the background of the company's intention to close the Speke Number Two plant, it was felt that we should know the real ramifications for employment of the Edwardes plan," Mr. Hawley said.

Opposition from the shop stewards does not necessarily mean the issue will be lost in a ballot. Last October, Leyland gained a 3—2 vote in favour of its plans to reform industrial relations, in spite of a hostile campaign by many shop stewards.

Leyland has proposed a six-month trial period for the incentive scheme. The initiative was taken to break the deadlock in negotiations, which have dragged on since last November.

The company is taking a hard line in pressing for genuine productivity improvements. The main division between management and unions centres upon the issue of "mutuality"—put simply, the right of the workers to exercise joint control over manning levels and the pace of the production line.

However, workers may take the view that the deal proposed by the company at least offers the opportunity to raise earnings. Either side can give four weeks' notice at any time to end the trial period.

● Talks on alternative employment and redundancy pay began at Cadbury's Typhoo factory, in Birmingham, to head off a strike threatened by 550 workers who are losing their jobs. The company is setting up a more modern tea-packing factory at Moreton, near Birkenhead, in an assisted area.

Mr. David Bowers, production director of Typhoo, and Mr. G. Peters, personnel director, met Mr. Ken Cure, engineering union divisional officer, and Mr. Terry Austin, Transport Union officer.

Water workers settle

BY PAULINE CLARK, LABOUR STAFF

PROSPECTS of a pay settlement within Government guidelines in the water supply industry rose yesterday when a delegate conference of Transport and General Workers' Union members voted to accept the latest employers' offer.

The move came after the decision by negotiators in the General and Municipal Workers' Union, the biggest in the industry, to recommend acceptance in a ballot of their members among a total of 33,000 water supply manual workers.

The National Union of Public Employees, which claims some 12,000 members in water supply, is expected to announce its decision by the end of the week after consultations at branch and district level.

Mr. Mick Martin, national secretary for public service in the TGWU, said acceptance of a 10 per cent. offer had been agreed "very narrowly" by the 25-man conference. He said the employers' promise to review grading structures by the autumn would increase water supply workers' determination not to be shackled to further tight wage restrictions after July.

Guards feel short-changed

THE RAIL dispute which has kept Mr. William Rodgers, Transport Secretary, occupied for the past week and has been watched with mounting concern by the Prime Minister, has its roots in a 1974 pay restructuring exercise.

Two points, crucial at least at the start of the row, arose out of the exercise.

1—In an attempt to end the constant bickering between staff grades which had dogged the railways, all separate bonus payments were consolidated.

There was also a firm commitment from all sides that there should not be unilateral pay deals between the British Railways Board and any individual group of rail worker.

2—The exercise left the growing number of pay-train guards with a strong sense of having been short-changed.

These guards carry out the same train-safety work as others on passenger and freight trains. At the same time, however, they were expected also to collect fares and issue tickets, for which they were not paid extra money.

Growing anger

The pay-train guards' annoyance simmered for more than a year befre the National Union of Railwaymen submitted a claim to the Railways Staff National Council, the highest tier in the industry's negotiating structure.

The claim was dismissed but growing anger among guards persuaded the union to submit a new claim, this time at a lower level in the negotiating framework.

That claim has been processed and agreed and would give 1,600 guards, sharing 800 turns or shift a day, payments varying from £2 50 to about £5 a week.

The system is based on a mixed measurement of tickets issued and money collected, British Rail estimating that average payments would be less than £3 a week.

British Rail appears to have changed its attitude to the "commission" payments—it says they are not bonuses—for two reasons:

FIRST, the pay-train guards have been doing the work under sufferance and an increasing number were not carrying out ticket-issuing in protest.

The number of pay-trains had grown and British Rail was losing a lot in revenue through fraudulent travel. Officially, British Rail puts the figure at about £100,000 a year, although estimates have run as high as £¼m.

The new agreement was designed to help combat this loss and a new duty for the guards—examining and collecting tickets bought by travellers at normal ticket-issuing offices—was incorporated.

SECOND, rail management had to weigh the various risks of industrial action from the unions. It was here that the British Railways Board appeared to have made a serious misjudgment.

There was certainly a feeling that, unless something was done to meet the guards' claim, there was a real possibility of industrial action by the union, not necessarily nationally but certainly on pay-train services.

On the other hand, there was a risk tha tthe Associated Society of Locomotive Engineers and Firemen, the drivers' union, and the only militant of the three rail unions, would kick up a fuss.

NICK GARNETT analyses THE RAIL DISPUTE

The 1974 agreement includes a rather woolly clause that certain special pay issues might be discussed separately from national arrangements, but there was an obvious danger, recognised by the board, that the society would view the guards' deal as a breach of the 1974 agreement.

Management took the view that the risk of a reaction from the society was worth taking, in view of the difficulties on pay-train services.

It was a measure of the way the British Railways Board underestimated the position that it was surprised, not to say shocked, when executives of the society plumped for a series of 24-hour strikes.

Mr. Ray Buckton, the society's general secretary, has been adamant that the issue is solely about a sectional payment which has infuriated his members.

British Rail says that the deal is not a bonus arrangement for a specific group of railmen but a commission payment for a certain turn of duty.

Privately, however, some rail managers believe the society has a valid point.

British Rail believes that the speed and intensity of the society's response has been governed more by the need to improve its bargaining position during present talks on pay and productivity than by drivers anger.

De-manning has been a serious issue for rail unions, particularly over the last two years, since the Opportunity for Change manning reductions were brought in. The present productivity proposals are based on an offer of 75p a man per week, based on present earnings, for every one per cent. improvement in performance.

Performance will be based on a formula linking increases in revenue and freight movement with staff reductions and it is the latter part of the proposed arrangements which is worrying unions.

There is also considerable disquiet over the cash value of the deal. British Rail admits that the present productivity offer would have meant nothing in cash terms to staff if it had been applied between 1974 and 1976.

The society might have more to lose on the issue of de-manning than the other unions, particularly on train services using assistant drivers as well as drivers.

It is on the manning issue that British Rail believes the society intends using the present squabble as an extra bargaining lever.

...nions ...ondemn ...steel ...ysteria'

...ay Perman, ...sh Correspondent

SCOTTISH and Welsh ...eeting in Manchester yes... called on the Government ... British Steel Corporation ... be influenced by the ...ia whipped up" over the ... of the industry, and to ... the programme of ...ent in new steelmaking

... agreed that redundancies ...osures of old plant under ...swick prposals should re... subject to discussion be... management and unions. ... joint meeting considered ...eat to the Scottish and ... devolution Bills by rebel ... MPs—they agreed to ... joint delegation to meet ...liamentary Labour Party ...ss the issue.

...s stated after the meeting ...e Government's commit... to devolution was not ... a question of fulfilling ...s" in the last Labour ... Election manifesto, but ... meeting the political ...ons of the Scottish and ... peoples.

...meeting agreed that trade ... should be able to demand ...epresentation on the com... of the Social Fund of the ...n Economic Community.

...it bonus plan ...oes not affect ...ccident rate

...OHN LLOYD

... figures on mining acci... ...how no indications that ...centive scheme, now ...g at most British pits ...made mining more ...us.

... argument that accidents ... increase as miners ... precautions to win ...bonuses was one of the ...oints of opponents of the

... indications show, if any... ...he reverse. Figures for ... Nottingham, which ... an incentive scheme in ...er—the first large coal... do so—show an accident ...siderably lower than in ...s years.

...ecember, 338 accidents ...eported, of which 315 ...nderground: this com... with 355 in December ... which 323 were under...

...nuary, 188 accidents were ..., of which 177 were ...ound.

...oal Board said that there ... insufficient evidence to ...te a definite trend. For ..., it is thought that the ... rate in the North Not...shire coal field is slightly ... than the previous year. ...Board said, however, that ...lear that there had been ...atic upsurge in accidents resulting from the bonus scheme as had been feared.

Mr. John Clarke, a safety inspector from the Philadelphia Mines Inspection Board, said in his quarterly report that mining safety standards were now so widely accepted by miners that there was no reason why incentive scheme sshould cause a deterioration.

Before self-advancing roof support systems were introduced, the main cause of serious underground accidents had been insufficient care in shorring up the roof before extracting the coal.

Turks worry stewards

GOVAN Shipbuilders shop stewards last night asked British Shipbuilders to cancel permission for the training of 37 Turkish managers at the Clydeside yard.

They told Mr. Michael Casey, British Shipbuilders' chief executive, that they feared the plan could lead to the export of British shipbuilding technology to countries liable to be future competitors for orders.

...ord Shepherd to head ...ivil Service pay board

...DAVID CHURCHILL

...FIRST chairman of the ...ervice Pay Research Unit ...is to be Lord Shepherd, ... Lord Privy Seal and ...r responsible for the day-... running of the Civil Ser...

... Board is being set up to ...r reintroduction of the ...search system next year ...il Service pay. Under this ..., Civil Service pay awards ...ked to the pay level of ...able jobs in the private

... system was suspended ...incomes policy was intro... in 1975. It had been criti... for not being subject to ... scrutiny. Although the ...esearch Unit emphasised ...dependence, the Government decided to set up a top-level Board to monitor its work.

The Prime Minister, announcing Lord Shepherd's appointment yesterday, said that he hoped soon to be able to announce appointment of the four other independent Board members, who would be chosen to represent a wide range of outside experience.

Lord Shepherd, who will receive no salary in the new post, is deputy chairman of the Sterling Group of companies.

Mr. David Ennals, the Health Secretary, announced that talks were far advanced on introduction of new pay and conditions negotiating machinery for over 1m. National Health Service workers.

...andstill at East Coast ...orts may be averted

...PHILIP BASSETT, LABOUR STAFF

...S WERE high yesterday ... pay strike due to start ...t which could bring the ...f London and three other ...Coast ports to a standstill ... be called off.

...chant Navy officers who ...he cutters which take pilots ... waiting ships planned to ... the strike last Friday, but ...ed it until 5 p.m. to-day ... peace talks were arranged.

...terday, Mr. Stanley Clinton ... Trade Under-Secretary, ... representatives from the ...s' employers, Trinity ..., and Mr. Harold Walker, Minister of State for Employment.

The officers' union, the Merchant Navy and Airline Officers' Association, was hopeful that a settlement had been reached in the dispute, which involves officers on fewer than 100 pilot cutters but could stop ships entering the Thames, Felixstowe, Harwich and Ipswich.

The dispute is over non-payment of money in a productivity deal, awarded on top of a Phase Two increase last November. Trinity House has said it has not had Department of Trade clearance to pay the money.

...trike shuts docks again

...GOW DOCKS were closed ...day by a third 24-hour ... of the port's 700 manual ...rs in support of an 18 per ... pay claim by Glasgow's 500 ...rs.

... stoppage, which halted ... on seven vessels, was con...ed by Mr. James Davidson, ...ging director and deputy chairman of the Clyde Port Authority.

He said the authority could not improve on its 10 per cent. offer.

"At a time when we have to compete for every tonne of cargo, they are doing irreparable damage to the trade of the port and jeopardising the long-term job security of everyone in the port."

PARLIAMENT AND POLITICS

Varley denies House misled over BSC finances

BY IVOR OWEN, PARLIAMENTARY STAFF

LEGISLATION is to be introduced after Easter increasing the *borrowing powers of the British* Steel Corporation, beyond the present limit of £4bn. Mr. Eric Varley, Industry Secretary, disclosed in the Commons yesterday, when he shrugged aside further Conservative demands for his resignation.

Sir **Keith Joseph**, shadow Industry Secretary, joined with Tory backbenchers in mounting a fierce attack on the failure of Ministers to reflect the full extent of the deteriorating financial position of BSC—its losses are now approaching £2m. a day—in earlier statements to the Commons.

They were particularly critical *of Mr. Gerald Kaufman*, Industry Minister of State, who was said by Sir Keith to have misled the House by referring to the upturn which was taking place "when he knew that an upturn was not taking place."

Mr. Varley bluntly denied that Mr. Kaufman had misled the House. He pointed out that at the time **Mr. Tim Renton** (C., Mid-Sussex) had praised Mr. Kaufman for giving "an honest answer."

Mr. Renton interjected that at that time, he did not know what Sir Charles Villiers, the BSC chairman, had said only four days before.

Mr. Varley suggested that this was one of the matters which could be dealt with when, in accordance with normal practice, the Government issued a White Paper replying to the three reports by the Select Committee which has been examining the finances of BSC.

He insisted that the normal procedure should be followed in dealing with the Select Committee's reports and did not take up a suggestion by Sir Keith that there should be a special two-day debate on the issue.

Mr. Varley reaffirmed that the Government intended to make a statement on steel before *Easter, probably on the same day* as the White Paper is published, and envisaged a wider debate taking place on the legislation to be introduced after Easter.

In a general defence of the Government's position, Mr. Varley maintained that the political commitments requiring the retention of older and loss-making steel plants could not be abandoned without the agreement of the unions concerned. Negotiations were now taking place with the unions and "some progress" had been made.

Mr. Varley quoted the views of a leading accountant with Cooper and Lybrand to support his claim that Tory MPs were *pursuing* Mr. Kaufman over his use of the phrase "an upturn taking place" with the benefit of hindsight and on an unfair basis. *He was adamant* that both Mr. Kaufman and himself had been "utterly forthright with the House and with the Select Committee."

Mr. Ian Gow (C., Eastbourne) casting of BSC and the Department of Industry had been grievously erroneous to the point of negligence. The Government's failure to take action to deal with the Corporation's financial crisis was due to political and not industrial considerations, he said.

Mr. Varley retorted that Conservative MPs were unwilling to understand that whole communities in Scotland, Wales and England were affected by steel closures. To have arbitrarily wielded the axe would have resulted in massive redundancies. hTe arbitrary closure of eight old plants and perhaps one modern plant would have led to something like 46,000 redundancies.

Mr. Robert Adley (C., Christchurch and Lymington) contended that Ministers should have been more frank in admitting that expenditure was being incurred by BSC for social and not *industrial reasons.*

Mr. Varley replied: "You should know that political commitments were entered into by the Labour Party before it entered Government. I have never sought to conceal that."

He also urged the House to take account of the leading article in the Financial Times *on Monday which referred* to the effectiveness of BSC's internal reporting procedures and its communications with the Department of Industry last summer which appeared to have signalled danger as quickly as could reasonably be expected.

Mr. Eric Heffer (Lab. Walton) defended the Minister's action in seeking to honour Labour's election pledges to avert steel redundancies and accused Conservative MPs of adopting a "hypocritical position." It was unfortunate, he said, that some Labour backbenchers serving on the Select Committee had, through "an aberration," supported criticism of the Minister.

Mr. Varley agreed that the Government had had to honour its election commitments. "If we want to vary them, we can only do it by discussion," he declared.

Leyland cash protest by Tories

FEWER SPECIFIC conditions may be attached to the next injection of public money into British Leyland, **Mr. Eric Varley**, Industry Secretary, indicated.

There were immediate protests from Tory MPs when he voiced his preference for a move away from the position operating since April, 1975, with "everything *conditional* on certain performance."

Questioning whether the attachment of conditions relating to efficiency, industrial relations and productivity was the best way of proceeding, Mr. Varley commented: "I don't think it is entirely realistic to suggest all that."

Sir Keith Joseph, shadow Industry Secretary, challenged: "Are you *saying* that if more money is requested from the taxpayer for British Leyland, it is to be given without any conditions?"

Mr. Varley replied that there was no doubt that British Leyland would require more public finance. The actual form in which the money would be put into British Leyland would depend on the company's corporate plan which was to be submitted to the National Enterprise Board.

The Board would be making recommendations to the Government. It was too early to say what decision would be made by the Government in the light of the NEB's recommendations.

Mr. Norman Lamont, another Conservative industry spokesman, had earlier asked for an assurance that it remained the Government's policy that no more money *should be advanced to* British Leyland without there being a definite improvement in both productivity and industrial relations.

He warned that any further reliance on solemn and binding assurances — "our old friend Mr. Solomon Binding" — would not be credible.

After indicating his preference *for a move away from the conditions laid down in 1975*, Mr. Varley said the real test of *British Leyland* — "I think there has been an improvement over the last few weeks" — was whether it could sell its products in the market place in the face of fair competition.

Amid Labour cheers, he stressed: "Not on the basis of whether £50m. is coming next week or the week after."

Welcoming the Minister's approach, **Mr. Geoffrey Robinson** *(Lab. Coventry NW)* argued that the attachment of pre-conditions to the release of public funds was "psychologically counter-productive and totally impracticable."

Asked by **Mr. Tony Durant** (C Reading N) if the Government *would support the British Leyland management* in tackling *manning* levels, Mr. Varley recalled that the Prime Minister had already announced support for the approach being made by Mr. Michael Edwardes, the new British Leyland chairman.

Mr. Hugh Dykes (C. Harrow E) protested that the Minister's *complacent remarks on the future* financing of British Leyland would cause alarm among taxpayers.

Completely unrepentant, Mr. Varley again maintained that "great moments of drama" centring on whether or not the Government would agree to advance further sums of money *was not the best way to proceed.* "The best way of succeeding is principally by making sure that British Leyland is successful," he said.

FIERCE CLASH ON IMMIGRATION

Tempers flare . . . as MPs debate law and order

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

TEMPERS FLARED in the Commons yesterday at the start of the Conservative debate on *law and order* as **Mr. Keith Speed**, a Tory front bench spokesman, engaged in a furious confrontation over immigration with **Mr. Merlyn Rees**, Home Secretary.

The Speaker, **Mr. George Thomas**, had to intervene to restore law and order in the Chamber, as Mr. Speed, red-faced with anger, repeatedly hammered the Despatch Box and bellowed at the Home Secretary.

The row was sparked off when Mr. Rees accused Mr. Speed of saying, in his constituency of Ashford, that U.K. passport holders should be sent home and then getting Mrs. Margaret *Thatcher*, the *Conservative* leader, to deny that he said it.

At this, Mr. Speed jumped to the Despatch Box and shouted at Mr. Rees to give way so that he could reply to the allegation. Mr. Speed's words were lost amid the uproar, but Labour MPs could be heard demanding that the Speaker "name" him *and order him out of the* Chamber.

Eventually, tempers cooled and Mr. Speed was able to explain that the Conservative Party would uphold its promise to U.K. passport holders. But if a Conservative Government faced a situation where hundreds of thousands of immigrants were coming in from East Africa, it would have to look at the situation again. Therefore, the Home Secretary's remarks were totally untrue.

Mr. Rees replied that he had obtained his information from a newspaper account of Mr. Speed's speech. However, if that was not what was said, then he withdrew his allegation.

The angry exchanges came at the beginning of the Tory censure debate on Mr. Rees over his handling of the law-and-order issue. The Conservatives had put down a motion that the Home Secretary's salary should be reduced by £1,000 a year.

Mr. Whitelaw . . . put Tory "action plan."

Putting the Opposition case, **Mr. William Whitelaw**, shadow Home Secretary, told Mr. Rees: "Your whole approach to serious crime has been astonishingly complacent. You have totally failed to provide the positive drive and initiative which the protection of our citizens demands to-day."

Presenting an "action programme" which a Conservative Government would introduce, he outlined a set of proposals, most of which were familiar from speeches he has made over the past year.

He repeated his call for an experimental programme of detention centres for the worst young offenders based on Army "glasshouse" discipline. The intention, he said, would be to administer a short, sharp shock.

Police would be given the pay and conditions necessary to improve their morale and stop early resignations. Judges and magistrates would be enabled to give the widest range of penalties. Juvenile courts would be reorganised to give back power to the magistrate and the "special problems" of the prison service would be tackled.

Mr. Whitelaw said that resignations from police forces in England and Wales had risen from 2,701 in 1975 to 5,168 last year. Metropolitan Police resignations alone last year had been almost 1,300.

He gave Mr. Rees and Police Commissioner Sir David McNee every credit for the success of the Ilford operation on Saturday. But as the Metropolitan force was nearly 4,500 short of its already unrealistic establishment, many areas of London must have been very short of police protection that day.

The statistics disguised a far more worrying situation in police effectiveness. In London the severe loss of experienced police officers through resignation is being offset to the extent that it is by the recruitment of young men and policewomen. Although they were welcome they could not really be counted as an adequate replacement for experienced officers.

Accusing some Labour MPs of undermining respect and observance of the law, Mr. Whitelaw said: "Mr. Foot never fails to attack the judges whenever they produce a judgment which does not accord with his own political views and persuasion."

A dramatic rise in crime among boys and girls was the Government's responsibility. If society failed them, they saw no reason why they should take part in that society and its rules.

Rees gives 'watch it' warning to Front

For the Government, Mr. Rees announced that after long consideration he had rejected suggestions that he should take over the power to ban political marches under the 1936 Public Order Act.

He had decided that this power was best left with the Metropolitan Police Commissioner and with the various chief constables. "The decision is made on the basis of law and order. I don't believe it should be the decision of the Home Secretary."

He did not think that a Home Secretary should say "I don't like that march. I don't like the people who are marching. They will cause trouble in that area."

The Home Secretary went on to give a strong warning to Mr. Martin Webster, of the National Front, over remarks he had made about the forthcoming by-election in Brixton.

In Mr. Rees's opinion there was little difference between the National Front and the Mosley fascists of pre-war days. He said that Mr. Webster had been reported as saying at Ilford North last Saturday: "If they think this by-election is a hot potato, wait until we put up a candidate in Brixton."

Mr. Rees went on: "If that is a threat he makes to the community, I say on behalf of the Government and the decent people of this country 'watch it.'

"At the end of the day, the mass of the people of this country will decide there is going to be peace on the streets." People like Mr. Webster were not going to determine what would happen.

Mr. Eldon Griffiths (C. Bury St. Edmunds), Parliamentary representative of the Police Federation, warned that in the next General Election, the police might be faced with a set of dangerous contingencies. He suggested that the parties at Westminster should get together and issue joint advice to the police on what they should do in these circumstances.

Mr. Rees told him that there were 500 fascists in Ilford North on Saturday. But when there were 635 constituencies at stake in a General Election, they might be thinner on the ground. If the other parties in the House had any views he would take them into account in dealing with any trouble that might arise.

In rebuttal of *the Conservative* case, Mr. Rees said that over £250m. more was now being spent on law and order in real terms than in 1974. On top of this, a further £50m. had been added.

The public expenditure forecasts envisaged a growth of 4 per cent. over the five years to 1981-82 on police expenditure. There would be an increase in real terms of £86m. in total law and order expenditure over the next five years. Any extra police pay would be in addition to these sums.

There were 7,500 more police officers at the end of 1977 than in March 1974, when Labour came to power—1,500 of them in the Metropolitan police. He did not disguise, however, that there was a real problem caused by police leaving the service after only four or five years.

Steel sets out party challenge

By Robert Cornwell, Lobby Staff

MR. DAVID STEEL, Liberal *leader, last night* issued a pointed warning to Mrs. Margaret Thatcher not to endorse even the milder statements of the National Front.

Mr. Steel was speaking at a rally in support of the Liberal candidate in this week's Ilford North by-election, where the party will reckon to have done well if it keeps the National Front out of third place—albeit with *far* fewer than the [illegible] votes the Liberals won in October, 1974.

Mr. Steel said that Mr. John Freeman, the Liberal candidate, was in the front line of attack by the National Front. "At the GLC elections in May he came ahead *of them* in the polls, but this time they are hoping to displace him and add to their claim of becoming Britain's third party."

But the Liberal leader emphasised that the ultimate goal of the Front was to bring down Parliamentary democracy and replace it "with a totalitarian *racist state patterned after* Hitler's Third Reich."

These views were repellent to the vast majority of the British people, but because of the presence of the Union Jack in their propaganda, some were misled into believing the Front was simply a patriotic organisation, said Mr. Steel.

"It is nothing of the kind. Politicians in the main parties should resist the temptation to echo the milder statements of the National Front."

The Liberal leader continued: "Instead, we should point out the facts. Far from our overcrowded island being swamped, more people left last year than came in. Immigration has declined and will decline further. The majority of last year's immigrants were white. Those are the facts."

Welsh support 'will beat Assembly wreckers'

BY ROBIN REEVES, WELSH CORRESPONDENT

ANTI-DEVOLUTION MPs were accused yesterday of "destructive fanaticism" and of imperilling some of the most fundamental concepts in the U.K.'s Parliamentary democracy.

The charge was made in Cardiff by Mr. Elystan Morgan, chairman of the "Wales for the Assembly Campaign" and former Labour Home Office Minister. The Wales devolution Bill is to start its committee stage in the Commons *to-morrow*—St. David's Day.

Mr. Morgan said that by stipulating a threshold of 40 per cent. of the electorate to carry the proposal "the wreckers, in their destructive fanaticism, have imposed an over-riding condition which has not been attached to any other *measure*—constitutional or otherwise—in the history of British politics."

But he was confident that the "silent majority" in Wales would back the assembly.

The campaign's executive committee consists largely of Labour and Liberal representatives. The Welsh Nationalists are conspicuously absent.

Mr. Morgan claimed that this was not significant. The aim was to build an *organisation* which transcended party political allegiances.

The campaign would present devolution as an opportunity to vote for better government in Wales.

The Wales Bill is a less radical measure than the Scotland Bill. It proposes an assembly with executive powers only, whereas Scotland would have a body with legislative powers. Even so, Mr. Morgan was confident that the setting up of the Welsh Assembly would constitute a "historic contribution to democracy."

He added: "It will enable a massive transfer of authority from the Welsh Office, Government departments, and a galaxy of nominated authorities to a body directly elected by the Welsh people."

A major concern was that opponents of the referendum would have access to "substantial advances from the CBI and such organisations." Mr. Morgan said that the campaign intended appealing ot the people of Wales *to counteract the money coming* from outside Wales. The aim was to raise £50,000.

Blacklist case cost criticised

THE Appeal Court "blacklist" case in which the Attorney-General, Mr. Sam Silkin, *appeared* earlier this month, cost taxpayers £378, the Commons heard yesterday.

Mr. Silkin had been asked by Mr. Tim Renton (C., mid-Sussex) about the cost to public funds of the case brought by Holliday, Hall and Co., and of his appearance in court. Mr. Renton described the sum as "an extraordinary waste of taxpayers money."

The Tory MP called on the Attorney-General "to take further steps to ensure the Department of Employment does not issue any more unfortunately-worded statements about wage sanctions and the blacklist, for which he has to apologise in court at the taxpayers' expense."

Mr. Silkin dismissed Mr. Renton's criticisms and said his appearance had been "a prompt *response*" and had "saved a great deal of money in the long run."

TV licence rise hint

AN INDICATION that TV licence fees may go up before the end of the year was given by Mr. Merlyn Rees, Home Secretary, in the Commons yesterday.

In a written reply, he said that when he announced the increases last July he had indicated that they were intended to last for at least a year.

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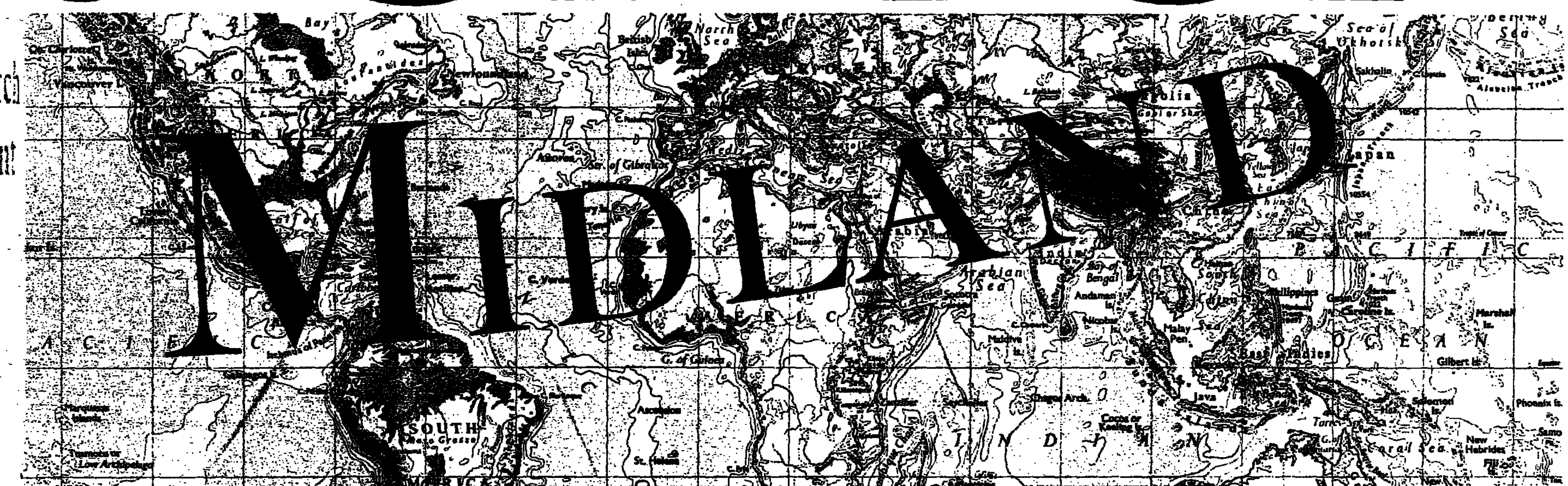

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Food is kept fresh without freezing

DORMAVAC will allow food processors to ship fresh goods across continents without the cost of air freight and creates new worldwide markets for perishable commodities, according to its developers, Grumman.

Dormavac creates a cold, but above-freezing environment, with high humidity and very low air pressure, with an atmosphere constantly changed inside an aluminium container that can be transported by road, rail or sea. The process is described as "hypobaric storage."

Under development by Grumman Allied Industries since 1974, the process has been extensively researched and developed to establish the commercial viability of this method of storage and transportation.

Six 40-foot prototype units have been built which conform to International Standards Organisation specifications. Thousands of hours of testing by major producers has established beyond any doubt, in Grumman's opinion, that Dormavac will make major inroads into conventional storage and transportation methods.

Each year more than 10 per cent. of wholesale commodities worth billions of dollars, which move through grocery stores, supermarkets, hotels, restaurants and institutions, are lost due to spoilage. Poor temperature and environmental control and excessive delays in transit are the major problems.

The Grumman process should make it possible to store commodities which retain all the characteristics they had at the time of harvest or slaughter—flavour, appearance and firmness. There is also a marked reduction in internal and external bacterial development or discoloration.

The double-walled aluminium containers have been tested in various parts of the world with avocados, chicken, chrysanthemums, lamb, limes, mushrooms, mangoes, papaya, peppers, pineapples, pork, shrimps, strawberries and carnations.

Pork has a normal cold storage life of about seven days. Using Dormavac, pork remains fresh for over three weeks—with no evidence of slime, discoloration or off-odour. Poultry is better protected against bacterial development than with chill packing, the company asserts, adding the blanket claim that the average extension of storage life is some six times compared with other methods including freezing.

More on this process, which will undoubtedly cause raised eyebrows in the food chain stores as well as the supply companies, from Grumman International Inc., Broadbent House, 64, Grosvenor Street, London, W.1. 01-629 3847, attention George Kubicke.

Cleaning by sound

SEVEN NEW ultrasonic solvent cleaners have been launched by Dawe Instruments, Concord Road, Western Avenue, London W3 0SD (01-992 6751).

The largest machine has a capacity of 1,653 lb. of steel/hr., and requires a three-phase power supply, while the smallest is a portable unit which can be operated from a 13 amp socket, and incorporates a refrigeration module eliminating the need for cooling water supply.

The smallest unit is stated to be particularly suitable for the removal of oil, grease, wax and other solvent soluble soils. It can be used with fluorinated or chlorinated solvents, and incorporates solvent reclamation. Solvent capacity is 1.7 gallons.

All the larger models have two stainless steel tanks. Three are designed for heavy duty production applications, and the other three (with similar capacities) are housed in white cabinets and intended for use in clean rooms.

● WELDING

Rods for a tough job

ESAB will present to the offshore industry in May three new welding rods with high impact strength at low temperatures along with consistent impact values.

Two are unalloyed, hydrogen controlled electrodes with excellent running characteristics in all positions.

The main difference between the two types is that OK 73.68 would be used for applications where high impact strength is required at temperatures down to —20 deg. C. On the other hand, OK 53.68 is an excellent electrode for node welding, but offers the same impact strength down to —40 deg. C.

The third welding rod, the ESAB OK 73.68 (AWS E 8018-C1) is a 2.4 per cent. nickel alloyed, hydrogen controlled basic covered electrode, the covering of which has been reformulated to fit into this new range of rods for low temperature applications. It is an all position electrode depositing a weld metal having high impact strength down to —60 deg. C.

ESAB, Fack S-402 70 Gothenburg, Sweden.

● SAFETY

Roof supports moved by remote controller

INCREASED safety in mining operations is provided by the Gullick Dobson advanced technology mining (ATM) powered roof support system, thanks largely to its remote control unit which permits the positioning of a number of hydraulic roof supports along a longwall face to be supervised from a distant point.

This remote control unit is built by Instem around a micro computer—Intersil 6100—which conforms to Group 1 intrinsically safe standards because of its low power levels and can be quickly reprogrammed to meet changed conditions.

The roof support equipment, developed with the approval of the NCB and the inspectorate, is built up from a number of support units and their controllers, emergency stop units, telephones and warning systems and various connectors. The central control console can be up to 100 metres away from the first of the supports.

Many variants can be provided from these components, but the control console, which contains the complete system decision logic and sequence control, provides the operator with command in either automatic or manual mode of over 250 supports. It also gives information on support condition, as required, from monitor signals on the selected roof support units.

Emergency stops on each roof support control unit signal their position to the console, should they be caused to operate. At the same time, self-checking is built into the computer control program so that operation stops as soon as a malfunction occurs.

Further details on the controller from Instem, the Mount Industrial Estate, Stone, Staffs, ST15 8LX.

● DATA PROCESSING

Terminal maker to expand

TRANSDATA, the British terminal equipment and microcomputer systems manufacturer, is preparing for a major expansion programme, following the recent signing of a marketing agreement with Plessey Europe, under which Plessey will market Transdata's products throughout Europe, Russia and Comecon countries.

Transdata is setting up a 5,000 square foot design and development plant in Havant, Hants., near the company's existing production plant.

Now being converted and equipped, it is expected to be ready by the summer, and Transdata will be using it to broaden the company's range of terminal products, both in the printer terminal market and in the data communications systems market.

It will also be the key to the development of Transdata's flexible microcomputer systems, such as the Cx400, which is aimed at the OEM market, as well as other micro-based systems.

Transdata is now turning over £1.5m. worth of business a year and this is budgeted to double over the next 18 months. Sales of the Cx400 alone now stand at over £500,000 since it was launched.

More information from Transdata on 01-240 2713.

New display from IBM

THREE DISPLAY station models have been announced by the General Systems Division of IBM.

They are two new models of the IBM 5251 which provide 960-character displays and offer the capabilities of the previously announced Models 11 and 12 with 1,920 character screens and the IBM 5252 dual display station.

This unit allows separate jobs—such as order entry and accounts payable—to be executed concurrently. The dual station attaches to the IBM System/34 system unit or the IBM 5251 model 11 or 12 displays. The 5252 can function as the system console when attached to the System/34 system unit. The new station offers functions that include field highlighting and data editing.

The 5251 Model 1 attaches to the System/34 system unit or the IBM 5251 Model 11 or 12 display. When attached directly to the system unit, it can serve as the system console.

Model 2 provides communications capability with the System/34 via SNA/SDLC and allows the attachment of up to eight additional workstations.

More on 01-935 6600.

Wholesaling equipment

X-DATA which claims to be Britain's first computer equipment wholesaler, plans to supply computer equipment to technically self-sufficient users on a true wholesale basis.

First products in the X-Data range are three printer peripherals. These are the Okidata CP110, the Okidata CP210, and the Oki DP100. The CP110 is a lightweight hard-copy printer which can use "corner shop" media, printing 80 columns at 110 char/sec. The CP210, designed for organisations with a high volume of on-line financial transactions, prints intermixed pass-books and documents without operator adjustment. The DP100 prints 132 columns at 125 lin/min., and has a long-life print mechanism guaranteed for 750 hours, or 500m. print characters.

X-Data is at 24 Windmill Road, Brentford, Middlesex.

● INSTRUMENTS

Shows up the leak

OFFERED by Varian is a gauge which, fitted to vacuum systems will show if a leak is occurring, enable its location to be found, and indicate if air or water vapour is entering or if some internal component is outgassing.

It has consequently been called "Smart Gauge" and can be used by even the most inexperienced operator to interrupt a process before a valuable run is lost.

The gauge is flange-fitted to almost any location; it consists of an improved Penning cell and an optical system with filter that is tuned to the spectral line of nitrogen and permits measurement of the partial pressure of this gas in the system. Percentage of nitrogen in the residual gases can then be determined making use of the well established ratio of nitrogen to total gas present in a normal leak-free system at any pressure.

The gauge is connected to an electronics box which houses a meter on which either pressure in Torr or percentage of nitrogen can be displayed.

Thus, a high nitrogen percentage indicates an air leak and a low one the presence of an unwanted gas such as water vapour. On the other hand a high pressure with correct nitrogen percentage shows that internal contaminants are outgassing.

Once the leak is indicated, probing round the outside of the vacuum system with a gas other than nitrogen will show where the leak is: a change in meter reading shows that the gas has entered the orifice.

More from Varian Associates, 28, Manor Road, Walton on Thames, Surrey (09322 43741).

Data from maps

AN ACCURATE Swiss-made digitiser which will extract positional information from maps and plans and compute parameters such as perimeters and areas has been put on the market in the U.K. by Survey and General Instrument.

The map or plan can be placed on any flat surface, followed by a radial motion unit positioned at any desired point of reference. Surrounding points are then digitised to give polar co-ordinates (radius from the reference point and angle from a reference radial).

The head is connected via an interface/display unit with ½ in LCD numerals to a minicomputer (most makes can be accommodated). Results are then given on-line as the data is entered; for example, four points can be digitised and the machine will give the area of the resulting quadrilateral. It will also, if desired convert the four points to rectangular co-ordinates to give map references. This can be done with a large number of closely spaced points to yield areas enclosed by curves.

More from the company at Fircroft Way, Edenbridge, Kent (0732 864111).

Safe level controller

INTRODUCED BY Robertshaw Skil is a capacitance-based device intended to control the level of liquids and granular materials in tanks and other containers.

Known as the Level Tel Model 3158 it is based on the principle that there is an increase in capacitance between a probe and the surrounding container when the latter is being filled or emptied.

The sensing circuit is intrinsically safe—of importance for example to the grain industry—and produces a dc output which is proportional to the capacitance change. This signal is fed to a relay unit and power supply which is mounted remotely and can be used to give high and low switching for alarm or control purposes.

More from the company at Greenhey Place, East Gillibrands, Skelmersdale, WN8 9SB (0695 23671).

● MATERIALS

Synthetic but strong

AS PREDICTED in the Financial Times last month, BXL Synthetic Paper Division has launched a translucent grade of Polyart.

Retaining the printing performance of the original synthetic paper, all known printing processes can be used, and tonal gradations up to 175 screen. It is resistant to tearing and flexing and is waterproof.

Major application is expected to be for point-of-sale material, particularly back-lit posters. It can also be used for photocopy masters, when continued use will not cause it to become dog-eared, unlike traditional materials.

Initially it is available on the reel and in sheet 100 microns thick, 97 gram/sq. metre, but it could be produced at other weights if required.

Details from Bakelite Xylonite on 0255 20561, or from the distributor, the Robert Horne Group of Companies on 0604 495333.

● HANDLING

Wheeled power shovel

LATEST MACHINE from Clark Michigan is a wheeled shovel for buckets up to 1½ cubic yards, powered by a 74 hp six-cylinder engine. It has three forward and three reverse gears, with a top speed of about 20 mph.

Its articulated frame allows the hydraulic steering with mechanical follow up to give a movement of 35 degrees in either direction. Clearance circle, with bucket in the carrying position, is 33.15 feet.

Dump height, with full lift and 45 degree discharge, is just over 100 inches, while the reach is 34 inches. Cutting edge of the bucket is 83½ inches and the break out force is 12,099 lbs. Cycle time is stated to be 10.5 seconds.

Marketing is by SLD Olding, Hatfield, Herts (Hatfield 62333).

● COMPONENTS

Decorative sheet and trim

LAUNCHING AN attack on the £30m.-a-year U.K. market for metallic and plastic decorative sheet and trim, C. H. Industrials Group has amalgamated two of its companies—Betta Manufacturing and Compra Plastics—to offer a comprehensive service in this field.

The Group says that the new company, called Compra Trim and Nameplates, already holds around 10 per cent. of this expanding market. Nameplate and decorative manufacturing in the U.K. is, according to Compra, only just coming out of the cottage industry era, and the company has plans to become the dominant force in the field.

To this end, it has already invested £300,000 in a factory extension and new plant and equipment.

In particular, its plans include the development of new materials and new applications for present materials outside what may be described as the conventional uses. These include trim on a wide range of domestic and office equipment, from refrigerators to computers, for internal and external vehicle trim, and for instrument panels and dials.

Among processes available is a printing method developed in the U.S. which by a series of "building-up" runs produces textured finishes and an "engraved" metal appearance. Other finishes include woodgrain and leathercloth. Compra, which describes itself as "based on printing," is aiming to widen the market for its materials to cover surfaces in applications ranging from architecture to furniture.

Developments include a method of laminating aluminium foil to rigid PVC to provide a wide range of textures, colours and finishes. This material will withstand a ½ inch draw.

New developments in progress include a ceramic finish on thin metal sheet. The company claims to have cracked the technical problems, and is now concentrating on economic production. Heat resistant (it is stoved at 450 deg. C), its appearance is similar to vitreous enamel. It is said to be flexible, and less liable to chip or crack than vitreous enamel, but does not have such a high abrasion resistance. When the material is launched later this year the company expects it to have applications ranging from cooker finishes to wall tiles.

At Compra, all processing is in-house, and includes offset litho and semi-automatic silk screen printing, colour anodising, photography and artwork, and a range of machining facilities, including a press shop with presses up to 75-ton capacity. This enables the company to meet almost any foreseeable demand.

Details from Compra, Eaton Bray, Dunstable, Beds. (0525 220342).

TONY FRANCE

FINANCIAL TIMES SURVEY
Tuesday February 28 1978

Bristol

Bristol is a proud and prosperous city with an important place in British history dating as far back as the Saxon era. It has a record of steady growth and a diversity of industry that is the envy of most other parts of the U.K.

city

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Survey was written
OBIN REEVES

ENTURIES, Bristol was only to London as d's main port and com- centre. In 1497, John ailed from Bristol in the ew" to discover the American mainland. Sub- generations of Bristol nt venturers played a e in exploring and set- e frontiers of the then world and developing as eventually to become tish empire.

unlike a number of historic cities, Bristol er chosen to sink back sleepy and slightly rished provincial exist- content to dream of glories. The magnifi- rgian terraces of Clifton district of Hotwells bear to the spirit of enter- a later era. The city ith their unique floating and SS Great Britain first iron clad screw- d steamship in the and the Clifton suspen- dge are among a number of reminders of the pioneering role played by Bristol in the industrial revolution and the heyday of Victorian enterprises.

To-day, Bristol remains a modern, bustling city and regional centre for the whole of the West of England. It boasts its own university, several colleges of higher education and training, three theatres, a concert hall, a zoo, several museums and art galleries and an abundance of other amenities associated with modern urban living.

The greater Bristol area has a population of just over 900,000, which since local government reorganisation has been drawn together in the new county of Avon. Relations between the new county and the old city's council are not ideal. This is partly because Bristol, which now has district council status, is Labour-controlled, while Avon is in the hands of the Conservatives. But it is also obvious that stripping powers from the city authorities, with centuries of tradition behind them, and giving them to a totally new body was bound to cause friction. The settling-down process is also not being helped by Government suggestions that the old city councils may be granted a return of their former powers. In Bristol's case, this would undermine the whole raison d'etre behind the creation of Avon.

Steady

But these are matters which do not really impinge on the economy of Bristol, which has a record of steady growth and diversity of activity that is the envy of most other parts of the U.K. But before examining this problem and the remedies being applied, it needs emphasising that the problem is relative. Bristol's traditional spirit of enterprise has continued to serve the local economy overall very well indeed so far in the 20th century, and it will be surprising if it does not do so in the future, given the long-awaited general economic recovery.

This is most notably true of the setting up, in 1910, of the Bristol Aircraft company. From it has flowed growth, employment and prosperity from generations of famous aircraft and aero-engines, beginning with the "Bristol" Boxkite—the first heavier than air aircraft to be used in British army manoeuvres—continuing with the Bristol Blenheim, Beaufort and Brabazon and culminating in the Anglo-French Concorde. The British centre for the design, development and production of the plane which has taken civil aviation into the supersonic age has been the Bristol suburb of Filton.

True, Concorde is almost certainly the end of one particular line, but Bristol continues to be intimately associated with trying to push back the frontiers of technology though what began as the guided weapons department of BAC and is now the dynamics group of British Aerospace—concerned with advanced missile systems and space satellite engineering.

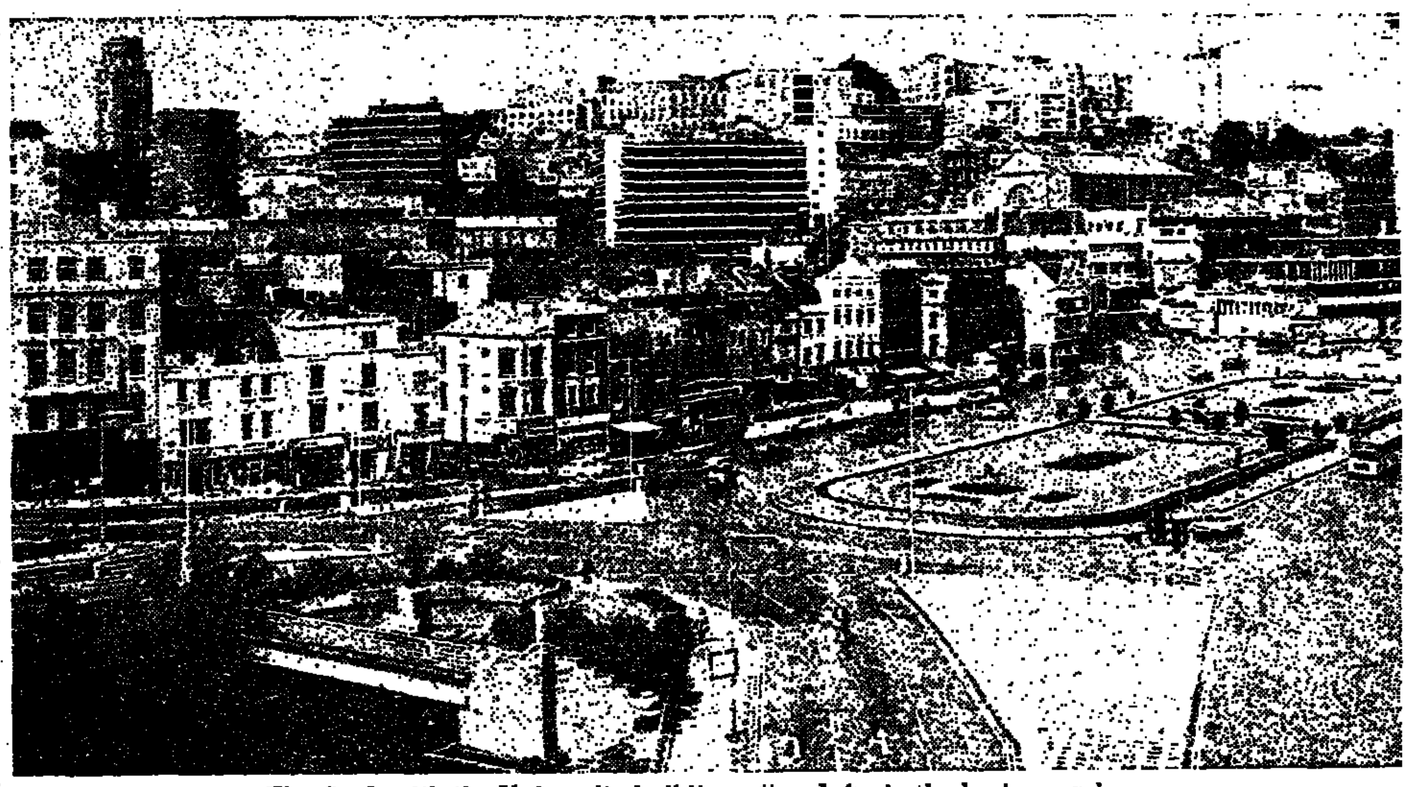
Bristol's long and close association with the aerospace industry from its beginnings has in turn provided the foundation for a highly skilled and exceptionally diverse engineering industry. In the West of England as a whole there are over 500 engineering concerns, varying from large factories to small companies specialising in small sub-contracting work, the majority of them concentrated in the Bristol area.

Skill in precision engineering has also been a vital ingredient in some of Bristol's other important industries.

The city might not have established itself as an important centre for the paper and board and packaging industries without the backing of engineering skills able to produce the specialised, precision machinery required.

Wine, tobacco and chocolates confectionery are three more industries associated with Bristol which, of course, have their origins in the city's maritime past. The port of Avonmouth has also given Bristol an important stake in the grain and animal feedingstuffs business, petrochemicals and base metals.

Clothing (notably uniforms and foundation garments) and boots and other leather goods are also traditional activities which have only recently declined in relative importance.



The Oval, with the University buildings (top, left) in the background.

Commerce

The most important growth area in the 1970s has been in commerce and distribution. Before the present recession, Bristol was chosen by five major companies as the location for the large-scale decentralisation of their offices from London. Warehousing and distribution also assumed increasing importance, attracted by the interchange of the M4 and M5 to the north of the city, which gives easy and direct access to London, the Midlands and North, South Wales and South West England.

Excellent communications have always been a vital ingredient in Bristol's economic success. For centuries they were maritime. To-day, besides having such comprehensive motorway links, Bristol continues to enjoy one of the fastest and most frequent rail services with London of any provincial city—only one hour 20 minutes on British Rail's High Speed Trains—and direct Inter-City links with other U.K. centres. Bristol (Lulsgate) airport has regular scheduled services to other parts of the British Isles and the Continent. But if these are not convenient, then Heathrow is little more than an hour and a-half's drive away.

At the same time, Bristol has determined to try to maintain its sea trade tradition by building a brand new dock across the river from Avonmouth suitable for modern container and roll-on roll-off traffic, named Royal Portbury dock when it was opened by the Queen last year.

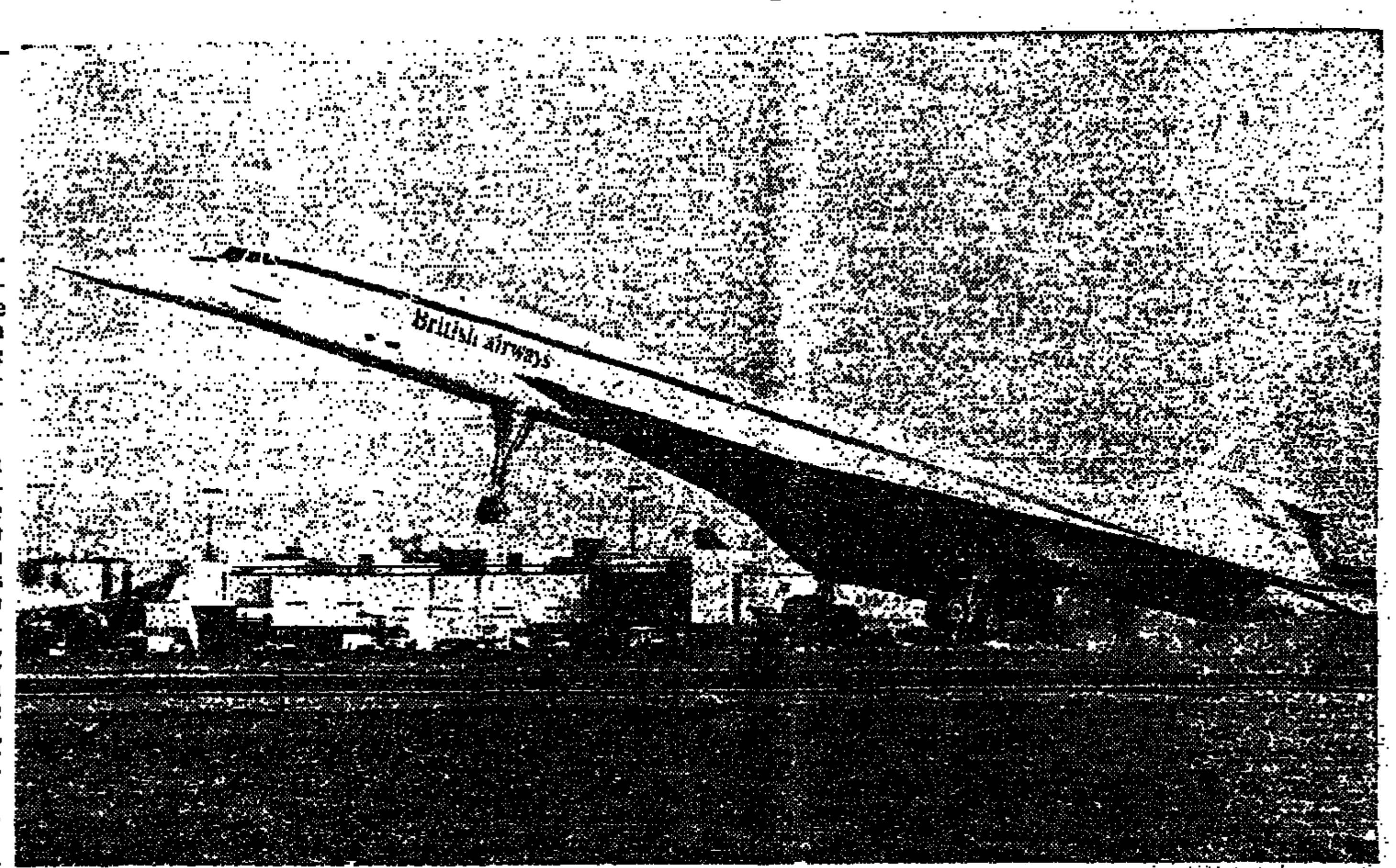
The construction of this £37m. facility, with the biggest tidal lock in the U.K., remains controversial. There are those who say that Bristol can never hope to compete with other container ports which, for the most part, are more conveniently located and have faster turn-round times. They fear that Royal Portbury will remain a permanent loss-maker to Bristol. The proponents of the new dock are banking on its unique direct access to the M5 motorway only a mile away and 1,000 acres of surrounding land as selling points.

In view of the extraordinarily long gestation period for building the new dock—it was first decided upon by the city's docks committee in 1962—most people would wish it well. But so far, it has succeeded in winning only two regular customers, though it may yet prove an important influence in attracting new industry to the Bristol area. This is very much Bristol's concern at the moment. The city

CONTINUED ON PAGE III

BRISTOL II

Local industry



Concorde on its way to New York. The last two aircraft will come off the production line later this year. After that, unemployment for many of the Filton workforce must be a serious threat.

Aerospace

ALTHOUGH Bristol has a remarkably diverse economic base, the aerospace industry is still the largest single source of employment and there is an understandable preoccupation in the city with the industry's prospects.

What seem certain to be the last two Concordes off the production line—Nos. 14 and 16—are due to fly later this year and there is, as yet, no guarantee that another major project will take its place.

Even so, the signs are that the end of the Concorde production run is not going to result in enforced redundancies. This is due, in no small measure, to the use BAC (since January 1 the Aircraft Group of British Aerospace) made of the breathing space provided by the Government over the past three years or so.

For one thing, the numbers employed have already been reduced. At the peak, some 6,000 people were working on Concorde at Filton and a further 400 at the flight testing centre at Fairford, Gloucester.

To-day, the total is down to around 4,200, a reduction which has been achieved fairly painlessly and certainly without hard redundancies. But another and perhaps more interesting reason is that BAC has gone out deliberately to seek new markets for the advanced technology developed as part of the Concorde programme, and to find customers—not necessarily in the aerospace field—for the advanced electronic and engineering facilities at Filton.

Breakthrough

An important breakthrough was the decision of London Transport to buy automatic testing equipment developed by BAC for Concorde, to test its increasingly sophisticated rolling stock. But equally, BAC has been seeking customers for its unrivalled expertise in engineering fields as varied as fracture mechanics, climate design criteria, noise and vibration control, computer-aided geometrical design, adhesive bonding and chemical contouring, to name but a few.

A major problem has been to dispel the impression among industrialists at large that use of such facilities is bound to be prohibitively expensive.

At the same time, BAC's Filton factory continues to attract work packages arising from current aircraft projects, such as the Anglo-German-Italian multirole combat aircraft (MRCA), Tornado, and the Anglo-French Jaguar, and even the F-16, the U.S. fighter being purchased by Belgium, Denmark, Norway and the Netherlands.

It has also won stringent Pentagon approval as a maintenance centre for U.S. Airforce aircraft and equipment. That said, the group still regards a major new aircraft project as essential in order to underpin future employment prospects. There are several possibilities, though a firm decision on any choice will rest inevitably with the Government. In the bidding are the HS-146, a new design, four engine, 80 seater feeder liner, either a new version of the Boeing 737 to be built in partnership with the U.S., or the A-200, a joint European venture to produce a smaller 150-seat version of the airbus.

There is, finally, the all-British XII, a new and larger version of the BAC 111.

Weapons

No uncertainty surrounds prospects in the dynamics group of British Aerospace, formerly BAC's guided weapons division, immediately next door. Since it started as a small department of BAC in 1949, it has gone from strength to strength, supplying guided weapon systems to the British armed services and to armed forces in many other countries. It is heavily involved at present in fulfilling a £400m. contract for tracked Rapier surface-to-air missiles to Iran.

However, the work is not all military. In the 1960s it had a notable success in Skylark, a small scientific research rocket, 360 of which have been built. Recently the group won a £13m. contract to design and build solar panels for NASA's space telescope project, a recognition of the expertise the group has built up in satellite engineering.

A wide range of space and guided weapon projects in the pipeline means that full employment in this sector is assured well into the 1980s. Indeed, the dynamics group's problem at present is recruiting suitably qualified engineers. Some have come over from Concorde, but there are still insufficient around with the right combination of electronic and hydraulic know-how.

Just down the road, Rolls-Royce's two Bristol factories are also fully occupied. The Olympus engines for Concorde never occupied more than 10 per cent. of the workforce, even if they represented the main research and development effort in the 1960s.

To-day Rolls-Royce's main Bristol production effort is the manufacture of the RB-199 for the Tornado. There are firm orders for over 800 of these aircraft. It is also continuing to produce the Viper engine which powers a whole range of small, military and business jets, developing the Harrier's Pegasus vertical take-off engine for which it hopes there will be a large export potential, and continuing work on the RB-401, a new generation, lightweight engine.

Obviously, the overall prospects for Bristol's large aerospace industry are heavily tied up with the development of the market worldwide and, Concorde apart, this has not been as buoyant as was once promised. But aerospace is still a growth industry and one which should continue to serve Bristol well.

The wine trade

SHERRY IS not only the most popular alcoholic drink in the U.K. (apart from beer) it is also synonymous with Bristol. The city owes its original growth to trade in wine with Bordeaux and the Iberian Peninsula: and to-day this connection lives on through Bristol's traditional and long-established wine merchants.

Easily the biggest of these is John Harvey and Sons whose "Bristol Sherries" are now sold in more than 100 different countries throughout the world. The company's reputation was built up on the expert blending of sweet, full-bodied, sherry. The blend for which it is best known, Bristol Cream, was evidently a traditional drink in the Bristol area long before it began to be appreciated by a wider audience.

To-day, Bristol Cream is brand leader in the U.K., with a 30 per cent. share of the market, and, according to Harveys, it is also the biggest selling single brand of sherry in the world.

The U.K. sherry market amounts to a little over 10m gallons a year, which works out at around 60m. bottles, or slightly more than one bottle for every man, woman and child in the U.K. every year. It is also a drink which is consumed by every class and income group, even if for many it remains a Christmas treat only.

Grip

Sherry's firm grip on the aperitif market is clearly eyed enviously by makers of alternative products, notably of Italian and French vermouths. Certainly, they have spent a great deal of money over the years trying to cultivate new habits. But Harveys are confident that sherry will continue to more than hold its own. It offers good value for money and does not have to be mixed, they say.

The company, in common with a number of other Bristol merchants, continues to maintain a traditional wine merchant service, supplying fine wines to the more exclusive end of the trade. Clients include West End clubs, Service messes, Oxbridge colleges and certain hotels and restaurants. For Harveys, this side of the business is inevitably dwarfed by sherry, but it is an important part of the image and continuity with the past. It is not without good reason that Bristol will be playing host later this year to the world Wine Fair and Festival, the first time it has visited Britain.

Sweeping success

BRUSH MAKING was always a traditional activity in Bristol. But one brush-making company, Kleen-e-ze, will always have a special niche in the City's history. Started in the early 1920s, in a few square yards under a staircase in an old Bristol furniture factory, it rose in a few years to become a household name throughout Britain.

The secret of the company's success was the introduction of what was, at the time, a revolutionary new marketing concept—the direct sale of an essential household requisite exclusively through independent (self-employed) door-to-door agents. It succeeded because, in those days a brush was a fairly expensive, largely hand-made item of expenditure, and because Kleen-e-ze chose to produce a top quality product whose advantages could be given practical demonstration in the home.

Conditions have obviously changed considerably since those early years. Mechanisation and plastics have reduced the cost of a brush immeasurably in real terms. But some 3,500 Kleen-e-ze agents still ply the country's doorsteps with an extended range of high quality household products, and a measure of the company's impact is that, in a marketing survey, 94 per cent. of people questioned had heard of the name Kleen-e-ze and associated it with brushes and direct selling.

This side of the business remains very much the background of the company, and it continues to grow slowly but steadily. But, starting with a foray into the industrial market for brushes just before the war, Kleen-e-ze has developed fascinating markets in the most unexpected places for its expertise, using the brush as a seal rather than something to sweep up crumbs.

Effective

What has now become a common engineering application is the use of a ring brush as perhaps the only effective seal available on a revolving shaft. But new applications of the strip brush in precision engineering are being discovered at regular intervals. The product even found its way into Concorde as a seal.

Energy saving has also begun to open up a large new market. Strip brush, it turns out, is the only effective way to seal concertina and glass doors, and it has a number of advantages as a draught excluder on ordinary doors: one being that nylon is self-lubricating.

The company calculates that insulation of an aircraft hangar with strip brush, for example, can pay for itself within one to two years in reduced fuel costs. In warmer climes, notably the Middle East, it is finding markets for strip brush seals as an insulation against dust, sand and bugs.

Of course, the product is, on the surface, relatively easy to produce and Kleen-e-eze is now exporting strip-brush-making machinery under royalty. But it is confident that it has an irreplaceable expertise in specification and application: for example, choosing the gauge and type of nylon suitable for different applications and in tricks of the trade such as introducing whiskers of silver to earth static.

The company is still exploring the potential market and admits to having had some failures. But it is equally sure that it has only begun to scratch the surface of the market for successful applications of the strip brush principle.

Cigarette centre

TOBACCO HAS been closely associated with Bristol ever since it was first brought to Europe from the New World by Sir Walter Raleigh. To-day, the City still boasts the largest cigarette factory in Europe, the Hartcliffe factory of W. D. and H. O. Wills, which turns out 4m. cigarettes a week.

This company was founded in Bristol in 1796 and now forms part of the Imperial group. But although the head office of Imperial, with its diversified interests in food, packaging and brewing, may be in London, Bristol remains the headquarters of the Imperial Tobacco Company and the main distribution centre for its tobacco products for the west of Britain and most of the South.

The industry in Bristol, in common with the tobacco industry elsewhere in the country, is presently wrestling with the consequences of the radical change in tobacco taxation brought about by Britain's EEC membership. Until last December, tobacco was levied an Excise tax of £6.40 a pound as it moved out of bond. From January 1, the U.K. fell into line with the rest of the Common Market by switching over to an end product tax.

Theoretically, a major consequence of this move should have been a massive one-off improvement in the cash flow of all tobacco companies. Instead of a period of some eight weeks before companies recoup the Excise tax in actual cigarette sales, they are now paying only on invoiced sales. But in practice, the cash flow benefit was anticipated a long time in advance, and absorbed in a marketing battle arising from the change-over. The previous system meant that the price of cigarettes was geared very closely to the amount of tobacco they contained. The new arrangement has broken this link and greatly narrowed the price gap which traditionally existed between small and large filter cigarettes. King size have now become much better value to the smoker.

Marketing

King size used to have a 10 per cent. share of the cigarette market. They are now reckoned to account for 30 to 40 per cent and be still climbing, amid a fierce marketing battle.

Wills, after a late start—it was traditionally strongest in the medium and small-sized brands — is now claiming second place among the market leaders with its Embassy King Size behind Gallaher's Benson and Hedges. And it has just introduced a night shift at Hartcliffe in order to keep up with demand.

The excitement has undoubtedly helped the tobacco industry shrug off recent disappointment over New Smoking Material (NSM). Tobacco men will point to a number of reasons why NSM cigarettes have not caught on but they also feel sore at the Government which, after years of encouraging manufacturers to develop a safer smoking material, then gave no endorsement. Indeed, they faced outright hostility from the Health Education Council.

Major effort to cope with unemployment

TOL HAS never been a …hich has suffered terribly …unemployment. Its diver… manufacturing base and …th in service industries …always managed to protect …the worst of the country's …mic problems. There are …s of jobless in the older, …run-down parts of the city, …en at the latest count, in …iddle of this month, the …r cent. out of work was …just above the national …e. For several years now, … has been experiencing …me sort of relationship to …ational figures and has … a lot better than the …e for the South-West (7.2 …nt.).

…re are difficult areas, par…ly finding jobs for boys …g school, for younger men …roup and for some of the …mall coloured population. … types of skilled crafts…n also almost name their …but despite the fact that …are only 1,500 vacancies …me 21,125 out of work, …ty's authorities do not … that their situation is …ss, as in some of the …difficult parts of Britain …yside or Wearside), nor … as in some other parts …e region, particularly …ster and Plymouth.

…ulties with school … as everywhere, peak in …nd August and at the …t they are approaching …ar's low point. In the …of the South West there …bably about 4,000 to 5,000 … looking for a job now, …m around 1,000 are in …itself. Most of these …s—the estimate is some …nce the large number of …hop and distribution out…ke it easier to find places …girls.

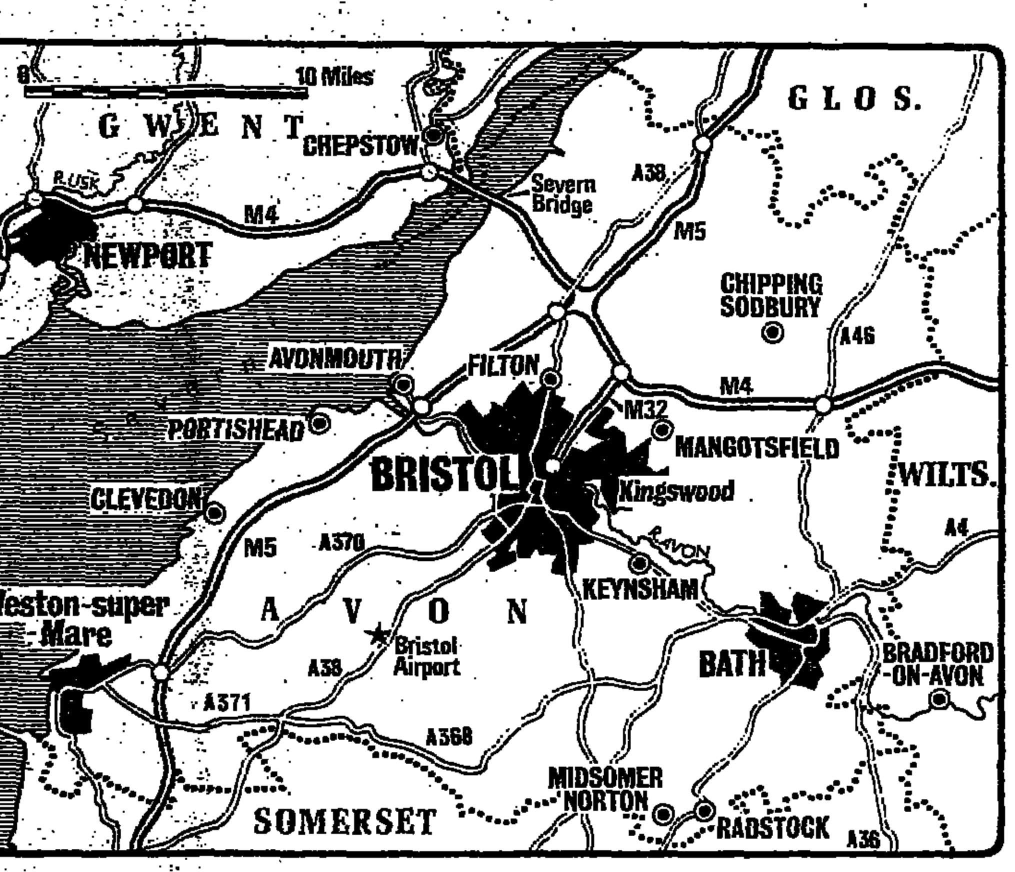
…st

… the academically least …d who experience the …roblems in finding work, …larly since the construc…dustry has taken such a …ring. Many of the least …d traditionally went into …ng jobs in building, but …s recently been denied … Other labouring jobs, …tories, have also been closed as industry has increasingly mechanised.

Strangely, this situation confronts many young men as well as school leavers. Official estimates suggest that nearly 44 per cent. of the men unemployed are under the age of 29. Usually, it is the older worker who finds the greater difficulty in obtaining a job, but in Bristol only 22 per cent. of the over-50s are out of work. Surprisingly, also, the picture is not very different for the coloured community, even though in other cities the proportion of urban blacks without work is considerably higher than that of whites. Perhaps it is this factor which contributes to the racial harmony in the city.

Two other factors affecting the young are discernible. Probably nine out of every ten unemployed, in addition to having low academic qualifications, have poor working records. Despite what happens around them, this group appears to be constant. The second is that there has been a cut in the number of apprentices being trained and it is not quite clear why this has happened. Partly it is a reflection of the general economising that firms have undertaken, but it has happened as well because of the depressed view of the future that so many companies have and a sheer mismatch between the standards available and what companies require:

In order to overcome these problems Bristol was the first area in Britain to have a Jobcentre network linking employers' vacancy notifications by electronic facsimile transmission. By this means any vacancy can be displayed within minutes in the seven Jobcentres and three employment offices. This might seem the logical thing to do, but Bristol pioneered the scheme and the result is claimed to have proved its worth by a far higher percentage of placings than in offices not linked by transmission equipment.



Retraining

It is in retraining, though, that much of the success in providing jobs to match the worker will be measured. There is little doubt that the miss-match now occurring—too many skills that are not wanted, too few skilled men for the vacancies—will have to be overcome if the economy is to benefit. Bristol has a Skillcentre with a capacity for 345 trainees, with the possibility of taking another 74 in an adjoining annexe.

At a Skillcentre men and women train to the level of a five-year apprenticeship (that is, to skilled craftsmen level) in 12 months, although a few courses are shorter. The range of courses offered is wide, ranging from building to canteen catering, and surprisingly many of the people who seek places on these courses are not unemployed. A proportion sees that its skill lies in a declining or obsolescent sector of industry and opts to retrain in another facility.

One of the encouraging factors of this training is that the level at which trainees find jobs is high. In Bristol the placement rate is about 70 per cent., which is about average for the whole country. Last weekend five left the Bristol course, four with jobs and one with an interview.

One of the admitted deficiencies of the Skillcentres is that they attract very few women—in Bristol there is only one woman, training on a carpentry course. This is not very surprising, given that women do much of their training in colleges of further education for skills which are hardly classified as manual. But it is felt that if the centres are to fulfil their role properly they should be able to attract more women.

Another area where women are greatly outnumbered by men is in the Employment Rehabilitation Centre. This is the organisation which trains people back to a useful life after they have been involved in serious accidents. The Bristol centre has a capacity for 100 people, although the authorities feel that they are doing their work better if they restrict entry to a little under this figure. At the moment there are 85 people in the centre, of whom 12 are women, and a typical entrant would be a youngster with head injuries suffered in a motor-bike crash.

The success in placing people from these courses is not nearly as high as in the retraining field. The Bristol placement figure is 52 per cent.

Rather more success in the city has come about following the work experience schemes. These are the plans by which the young jobless have the opportunity to work for a period, usually six months, with a firm. Although not a large number have been placed with firms, some of the leading names in the city, such as Woolworth, Gateway, Debenham and the Co-op, have all co-operated and they find that the response from the entrants has been good.

The advantage of such courses is not only that it gives youngsters the opportunity to work but it also gives the employer a chance to assess the abilities of the person he has temporarily engaged. One national chain of stores, for instance, has taken on 250 youngsters via this method and has kept on 230 of them. In a world where it is still difficult to find a job if the basic skills are missing this at least is an encouraging statistic.

City

CONTINUED FROM PAGE 1

has been so used to enjoying a buoyant local economy, relatively unaffected by the economic cycle in the rest of the country, that the experience of a level of unemployment, which is just above the national average has come as something of a shock even though some bodies like the Bristol Chamber of Commerce and Industry were warning of the danger for years. At the last count there were over 21,125 registered unemployed some 6.6 per cent. of the working population.

Obviously, the run down of the Concorde programme has been an important contributory factor. While the number of redundancies among those employed directly on developing and manufacturing the aircraft has been kept surprisingly low, the roll-down has inevitably taken its toll among sub-contractors who have been unable to find new business. But the unemployment is also a reflection of the impact of the present recession unparalleled in its depth and intensity since the 1930s, on small businesses generally. There is a widespread feeling that even when the recovery arrives, it is not going to result in quick inroads into the level of unemployment.

The signs are that many employers will be aiming to expand their capacity by investing in more labour-saving machinery, rather than by expanding their labour force.

In this climate, long-standing irritation at the special arrangements granted by the Government to development areas, notably just across the Severn Estuary in South Wales, has become stronger.

It is now firmly established that South Wales political pressure was instrumental in the Government's several delays of the Portbury dock scheme, and more recently Toyota decided to abandon a plan to use Portbury for the import and finishing of their cars after Government moves to try to persuade the Japanese company to use a port in a development area.

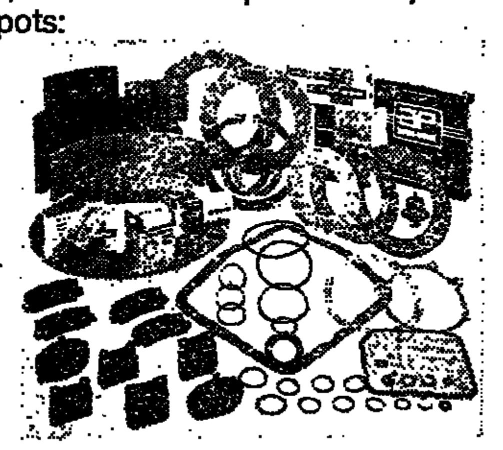
Government has at its disposal a fairly effective weapon for directing industry away from Bristol or indeed any area —the withholding of the Industrial Development certificate required for all projects using more than 15,000 square feet of factory space—and these days its use is obviously resented more fiercely by Bristolians.

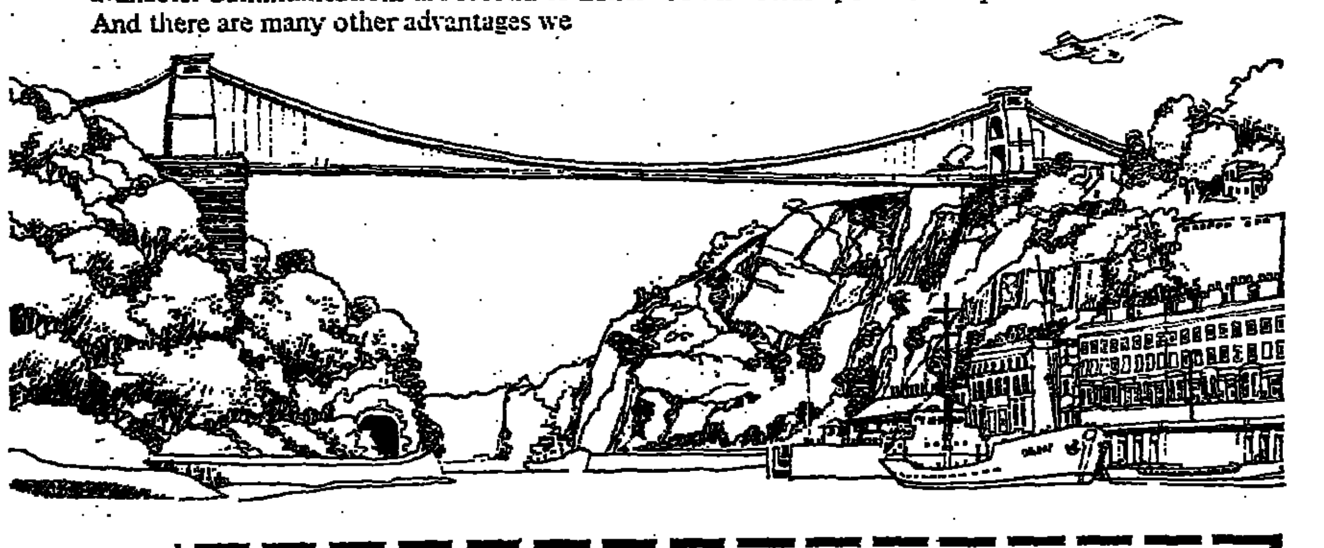
Yet specific instances of Bristol companies packing up lock, stock and barrel and moving to development areas are hard to pin down, although over 80 manufacturing concerns are said to have disappeared from the Bristol area in recent years, either because they went broke or moved elsewhere.

It is certainly true, for example, that Avonmouth might by now have a larger petro-chemicals sector had regional aid—20 per cent. of the capital cost—been available for construction. But significantly, there is no evidence of large numbers of Bristol-based companies either moving their operations or concentrating their expansions on the other side of the Severn bridge, so as to take advantage of Wales's development area status. Indeed, the 11-year-old Severn Bridge seems to have had surprisingly little impact on the city's economy, beyond perhaps aiding the growth of Bristol as a distribution centre and encouraging shopping expeditions and visits to the zoo by people from South Wales.

In view of its employment problem, Bristol has finally decided to make a deliberate effort to attract new industry. A year ago, the City Council appointed an industrial development officer, and this month it is launching, in London, its first-ever industrial promotion exhibition. Besides underlining Bristol's excellent infrastructure, the city is now better able to guarantee an adequate supply of skilled labour and land for development. It is also promoting small nursery units of up to 1,000 square feet in inner city locations for small manufacturers trying to get their businesses off the ground. To this end, the council is also prepared to give initial help with factory rentals.

The aim is to get the insured population employed in manufacturing industry from the present 29 per cent. back up to the national average of 35 per cent., where it was ten years ago. There have already been 40 inquiries for industrial space so far this year, 25 per cent. of them from overseas companies looking for a U.K. manufacturing base. Combined with encouragement to local manufacturers to explore their own opportunities for creating more jobs, the signs are that Bristol will achieve its target without too much difficulty.





The maritime tradition

THE LONG-AWAITED opening for business of the Royal Portbury dock at Avonmouth will mark what many Bristolians hope will be yet another successful chapter in Bristol's centuries-old connection with the sea. Although the dock was scheduled to open last year, industrial problems have so far delayed the start of operations.

It is not without good reason that the phrase "ship-shape and Bristol fashion" is firmly anchored in the English language. Bristol entered the shipping business in a big way as early as 1239 when quays were built along the river Frome in what is now the city centre. For centuries it was England's second port, rivalled only by London. John Cabot sailed from Bristol in 1497 to discover the mainland of North America and the city's merchant adventurers subsequently played a key role in the development of international maritime commerce and the settlement of the New World. At the beginning of the nineteenth century, the city undertook another major engineering feat by impounding the three miles of the course of the Avon to make a "floating harbour" and diverting tidal waters into the "New Cut," a channel two miles long and 200 feet wide, quarried down to solid rock.

But by the middle of the last century, the trend towards larger ships was beginning to tell against the city docks, a trend ironically begun by Brunel's revolutionary iron-hulled screw propelled steamship, SS Great Britain, which was built and launched in Bristol itself in 1842.

The first dock to be built at what is now Avonmouth was a private venture completed just over 100 years ago in 1877. Seven years later, it was acquired by the Bristol City Council, together with another dock undertaking which had been built a few years before at Portishead, a little down the coast from Avonmouth.

But it was not until the beginning of this century that ideas for turning the whole course of the Avon up to the city into docks were abandoned and Avonmouth became firmly established as the location for Bristol's future dock developments.

Decision

It is interesting to note that the decision to enlarge Avonmouth by building the Royal Edward dock, opened in 1908, was at the time surrounded by considerable controversy. Many Bristolians thought it would never pay and remain a permanent burden on the city's finances. As it turned out the dock paid not only for itself but also for a number of extensions, including the addition of an oil basin for the refined petroleum trade and the provision of the grain terminal facilities.

The controversial decision to press ahead with the building of a new dock complex on the West bank of the Avon, named the Royal Portbury dock and officially opened by the Queen last August, needs to be seen against this background.

It was recognised soon after the war that the days of the city docks as a commercial port were numbered and that if Bristol was to have a chance of remaining competitive as a port it would have to develop new deepwater facilities. And, after touring the Continent, the City Council's docks committee decided as early as 1962 to build Royal Portbury.

Nobody dreamed that another 15 years would pass before the project reached completion. The first (£27m.) scheme submitted to the Government in 1964 was rejected in the Transport Policy White Paper of 1966. A second scheme for a smaller dock, costing £15m., was also rejected in 1968 and a parliamentary Bill promoted by Bristol Corporation was thrown out by the Commons after passing through the Lords.

There was considerable suspicion at the time, confirmed by the Crossman diaries, that political pressure from South Wales against the scheme was mainly responsible for the Government obstruction — because of the competition it presented to South Wales ports. And, as it happened, when the Conservatives came to power in 1970, a revised plan was quickly given Government blessing and the necessary Bill passed through Parliament. Work began in 1972 and was completed last year. The cost has been at least £37m.

There have also been other setbacks. Working operations at the new dock were held up, and labour problems have still not been totally ironed out. Because of a six month-long boycott by Avonmouth's 1,300 dockers, pending negotiation of a satisfactory agreement on wages and conditions for manning the new facility.

Then there was the Toyota affair. The Japanese car company proposed at one stage using the new dock as its main U.K. import depot, with facilities for putting the finishing touches to its cars. Toyota eventually abandoned the idea but not before a show of strong opposition from the Government, which wanted the scheme to be located in Liverpool or another development area port.

The net result is that the citizens of Bristol have, for their £37m. investment, a new dock with the biggest tidal lock in the U.K., capable of taking vessels up to 70,000 tonnes deadweight (two or three times the limit in size for Avonmouth); six berths and an adjoining industrial development site, eventually stretching to 1,000 acres, which certainly provides ample space for modern cargo handling methods; and a special road linking directly with the M5 motorway just over one mile away. But, so far, there are only two firm customers.

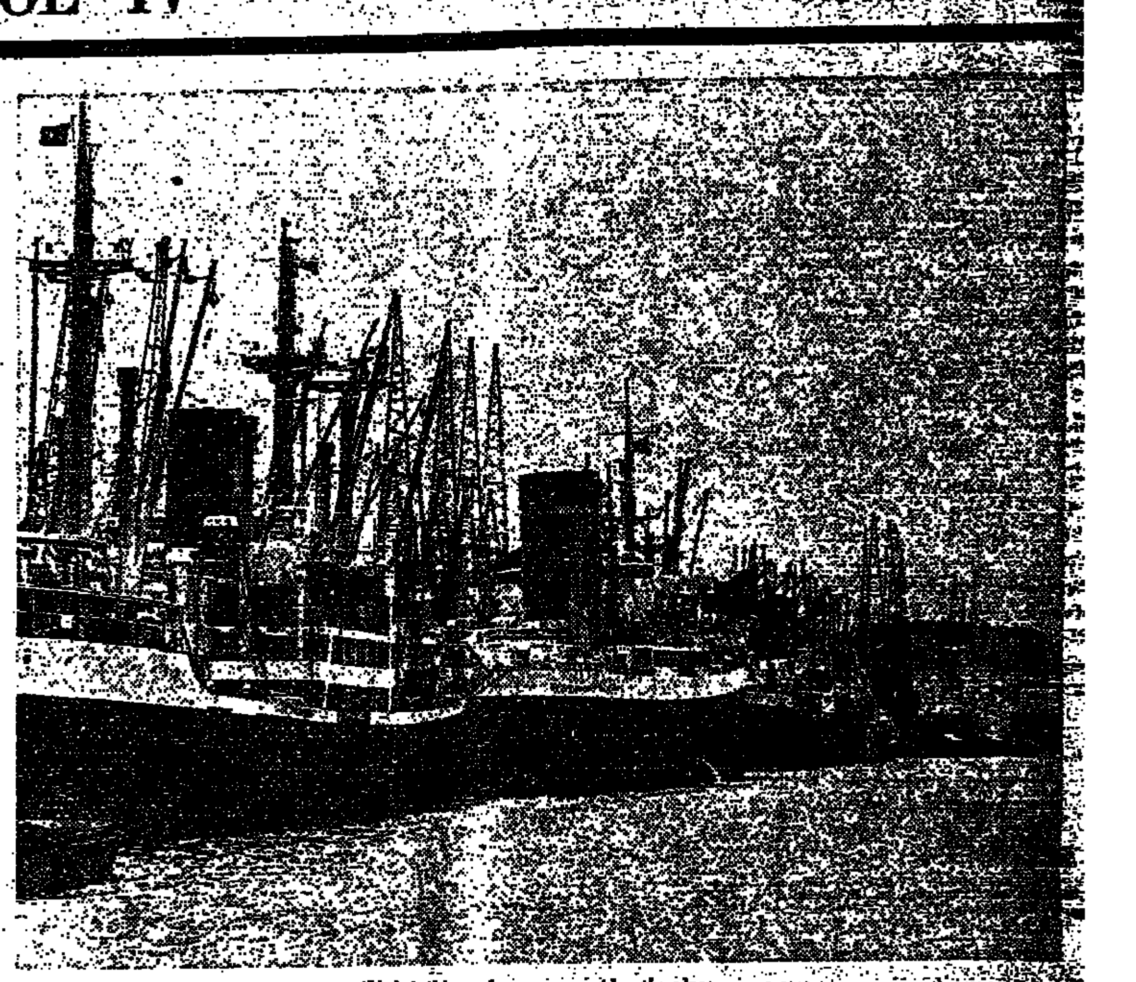
One is the Swedish-owned Tor Line, which has established a new subsidiary, Swift (South West International Freight Terminal), to develop part of the dock for container and roll-on roll-off services. It sees Portbury as a natural adjunct to its operations at Felixstowe and Immingham. And one of Swift's customers, Cast Transportation of Canada, had already decided to use Portbury on a six-month trial basis after becoming disenchanted with Liverpool.

The other is a Norwegian concern, Gearbulk, which proposes using the dock for the import of timber products.

Clearly Portbury needs to find other regular customers to become viable. And there are still Bristolians to be found who consider it has been a serious waste of resources. They argue that the disadvantage of a tidal lock in terms of turnround of ships, and Portbury's position away from the main Europe-going sea lane, will always count against it. In the meantime Bristol is paying £100,000 a week in loan charges: £40,000 from Bristol ratepayers and £60,000 from Avonmouth earnings.

Royal Portbury's supporters, on the other hand, point to its unique advantage of direct access to the country's motorway network. The interchange between the M5 and M4 is less than ten miles away, giving easy access to the Midlands, the South East or South Wales.

They feel certain that, like the development of Avonmouth at the turn of the century, it will prove a worthwhile investment and positive asset in attracting industry and commerce to the Bristol area. It remains to be seen who is right.



Ships in Avonmouth docks.

Recovery in property

AFTER AT least four very difficult years, Bristol property market seems once again to be on the move. There is nothing heady about the recovery. Indeed, statistically, Bristol looks to have more than enough new office space to meet demand in the foreseeable future. But most immediately available industrial and warehousing space has been taken up over the past six month, after a long period of inactivity.

In the offices sector, around 600,000 square feet of new space stands empty, varying in size from a major Laing development—Whitefriars — totalling 142,000 square feet down to a few thousand square feet in several units in the 10-11,000 square feet bracket. But local agents take the view that only about one-third of the available space can be described as prime location and that as the market picks up a wider gap will open in rents for prime and secondary locations.

At present Bristol office rents vary between £2 and £3.25 a square foot, depending on location, amenities and finish. There may be cheaper space to be picked up in Birmingham and Leicester, but as far as the area West of London is concerned, Bristol now feels very competitive with potential rivals such as Cardiff, Swindon and the Poole-Bournemouth area.

Growth

Bristol has around 9m. square feet of office space in total, of which about 4m. square feet, in units of more than 10,000 square feet, were built in the ten years up to 1976. Initially, developments reflected the economic growth of Bristol itself but as the London property market went into orbit in the early 1970s, Bristol found increasing favour as a relocation centre for a number of major companies in insurance and banking who wished to move from the metropolis.

The attractions were obvious. One was Bristol's unique position close to the interchange between the M4 and M5, giving quick and easy access to London, the Midlands, the North and South Wales. Another was the increasingly rapid train service between Bristol and London. British Rail's High-Speed Train has now reduced the journey to Paddington to 1 hour 20 minutes, bringing the city effectively within commuting distance of London and certainly near enough to allow anyone to do a full day's business in the capital and return the same day.

Uncertainties arising from the recession obviously halted this trend. But having had the taste of this influx of new commercial employment, Bristol is anxious to see more, and particularly to dispel any impression that local staff recruitment might prove difficult. One of the leading local agents, Lalonde Brothers and Parham, not long ago went as far as to commission a Bristol staff availability survey in order to establish a precise picture of the local labour situation.

The survey indicated that good-quality clerical staff were not difficult to find providing firms were prepared to offer competitive rates, though there was always a shortage of good shorthand typists even in times of high unemployment. At the same time, one private agency even supplied evidence that the South West was the most popular area in Britain to which people would like to move to work.

Obviously, letting of the presently available office space is going to depend very largely on a recovery in economic confidence generally. But with comparative London rents in the £8-to-£15 bracket, Bristol's property men are hopeful that it will not be very long before the flow of new tenants resumes.

In the industrial and warehousing sector, as already mentioned, the market is beginning to look very tight. Space which had stayed empty for two years or more has suddenly been taken up, and the interest of local agents is beginning to focus on pre-letting to clients prepared to commit themselves to a purpose-built unit. At the same time, the tight conditions are expected to encourage some new speculative developments; though after their recent experience developers are bound to move cautiously.

There is no differential in rents as between space for warehousing and light industry. Lettings in Bristol are currently running at between £1.35 and £1.40 a square foot. Avonmouth tends to work out a little cheaper at £1.25 to £1.30 a square foot.

There are two particularly interesting developments in the pipeline. The first is the comprehensive redevelopment of the city docks area as a result of the cessation of commercial shipping activities. The County and City Councils have between them produced a comprehensive local plan for revitalising the whole area, through a mixture of residential, recreational and light industrial and commercial activities, while retaining its unique character. But the proposals are still very much at the consultative stage, and it promises to be some time before developments begin to take shape.

Estate

The second is the development of a large new estate immediately next door to the M5-M4 interchange to the north of the city. The 170-acre site, to be called Hampton Lane, has already been designated by North Avon district council, which proposes developing it in partnership with Laing Development.

Laing was also responsible for the highly successful Patchway estate, further in towards the city, which has developed almost exclusively as a warehousing and distribution centre. Patchway is now virtually full. Hampton Lane promises to attract similar interest—Unilever has reportedly already expressed interest in 2m. cubic feet of space—in what some are describing as one of the prime sites in the country.

At the same time, North Avon is anxious that Hampton Lane should not be all taken up in warehousing. It is planned to devote at least 35 acres to low density office development and the Council also wants to attract some light—more labour intensive—industry in order to improve local employment prospects.

The Management Page

EDITED BY CHRISTOPHER LORENZ

SINCE its "economic miracle" early 20 years ago, West German banking system has been internationally regarded as a model of how financial needs of a nation's industry best be met. In Britain, where banks have often been accused of less than they might to help and fund industrial investment, the German system has taken on almost apocryphal reputation, as in some of the evidence submitted to the Wilson Committee.

these generalisations, surprisingly little consideration has been given to the banking industry relationships in practice. In order to shed light on the day-to-day differences in the way German and British banks deal with their industrial customers — especially in the provision of loan finance and advice — we will be putting one bank in each country under a microscope in a series of articles over the next few weeks — Commerzbank in Germany, Barclays in Britain.

To choose the two candidates for comparison was an extraordinarily difficult task, because of the disparities between the countries' banking systems. Of the British Big Four, Barclays seemed the most suitable because of its particular emphasis in the past 10 to 15 years on expanding its corporate business, through the complete range of size, from small to extremely large. Barclays also parallels the German banks in its intense efforts to expand overseas corporate business.

The first two articles will investigate some of the main structural differences which influence the two banks' relationship with business; these range from their overall organisation to the way they train their employees to deal with industry. To-day's article is on the Commerzbank; the second will concentrate on Barclays, though both are also comparative.

The third article will compare the impact of these differences on day-to-day banking practice.

Any comparative assessment of the two countries' banking systems, and particularly their role in the service of industry, is fraught with danger. A multitude of factors, many of them often disregarded in the perennial debate about generalities, influence the practice of the banks.

Most obvious is the German "universal" banking system itself, under which the banks engage in all areas of financial activity, including deposit taking, investment banking and dealing in securities. In recent years British banks — notably the Big Four "clearers" — have moved into merchant and investment banking, thus assuming some claims to "universality." But there is still a major difference in the way that German universal banks act as representatives of shareholders whose deposits of stock they manage. They also hold major stakes in industrial companies in their own right, though they have become increasingly disenchanted with this.

At the same time, critical assessments of banking systems often pay too little attention to their different origins, subsequent developments and in-bred attitudes. As banks themselves point out, insufficient consideration is also given to the contrasting attitudes of company managements towards banks.

Among the many other influential factors are the power that different types of financial institutions in both countries, such as insurance companies and building societies, exert in attracting funds; the varied demands made upon banks by legislation; and the historic role of Britain's stock market as a dominant source of long-term equity funds, in contrast to the minor role played by German stock markets. Several of these factors produce a greater flow of long-term funds to the German "universal" banks than to the British "clearers." All this is economic and social factors, which not only reinforce national differences in the way banks conduct and plan their business, but also subject them to a process of continual change.

This short series of articles does not pretend to weigh up all these factors, and produce a comprehensive analysis; no single study of Anglo-German banking practice, however lengthy or authoritative, has yet managed this Herculean task. The purpose of the series is to get behind the well-worn cliches and generalisations, and, as an illustration, to examine the practical workings of Barclays and the Commerzbank as they affect the industrialist.

Finding finance for industry: the Anglo-German divide

Nicholas Leslie—in the first of a series of articles—puts Barclays and Commerzbank under the microscope.

Commerzbank's Frankfurt head office

ZBANK IS the third what are known as hree German commer-, *the category closest* of structure to British banks.

nal business consisted financing the foreign Hamburg merchants. he outset, it has been with business in a y; in many respects led a U.K. merchant peration in its early *er than the domestic* ich banking network customers which was k of what is now the oint stock banking

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isons for this are it include the fact vings banks and co- have increasingly hemselves in corpor- *thus employing the* which they had placed on the be picked up by s, above all the Big

val of restrictions on es in 1967 and the tial removal of tax enjoyed by savings further influencing

recent moves to de- ts activities into the bring its decision- ser to the industrial Commerzbank still a large extent from egional head offices urt, Hamburg and each with a series d sub-branches. A *in West Berlin is* rganised.

...national

international side, ntred in Frankfurt, een a rapid develop- last ten years or so. with representative merzbank now has *branches,* and s with other banks, being part of the rs set-up with anish and French

branches and sub- within Germany and *range in size from* a handful of staff large offices which *managed by two or* ple with particular in such areas as iness, securities and rs, and credits and A similar arrange- ly now being tried k branch level with ommitment by Barclays and even there *the concept of shared responsibility is not so pronounced (this is explored in the third article).*

The Frankfurt head office retains a large measure of direct control over corporate finance activities, although much of the straightforward business in this area is handled directly by the main branches and some of the larger sub-branches; such business includes modest loans for capital investment at home or advice on capital structures. Anything larger or more complicated becomes head office *responsibility: examples* here are loans for overseas investment, raising of new equity and arranging syndicated loans. Further decentralisation of corporate finance is planned. Syndicated loans and international finance have become increasingly important for Commerzbank in the last ten years.

The corporate finance department is also heavily involved in medium- and longer-term lending of funds, which Commerzbank raises by issuing bonds and other securities to the public. This form of bank fund raising is unknown to British banks. On the other hand, when British banks lend term money they are occasionally prepared to allow a ten-year repayment period, whereas at present Commerzbank almost always limits itself to seven years.

German banks are more or less tied to current capital market terms, so that the repayment periods that they can offer can *vary from time to time.* The Commerzbank is at present limiting itself to seven years having been down to five a few years ago, and up to ten in the early 1970s.

Significantly, corporate banking personnel consider themselves to be an elite within the bank and are recognised as such by their colleagues in other *departments;* no *such* distinction is recognised at Barclays. At Commerzbank, it is not felt that this *makes merchant banking* an awkward fit within the general banking structure, a situation which contrasts sharply with Barclays experience since the Bank of England decided in — to give clearing and other joint stock banks the *all clear to develop* merchant bank business.

Another very centralised activity at the Commerzbank is its treasury, which handles foreign exchange and money market transactions, both on behalf of the bank and for clients, particularly corporate customers. These have been developed rapidly over the past ten years and have been *partly* fashioned on Anglo-American lines. It is perhaps symptomatic of Commerzbank's *extreme competitiveness* that while admitting to learning from British and American practice it now reckons it is in some respects at least equal if not ahead of the field and that *it is attracting* bankers from abroad to study its techniques.

Pushing all of the bank's facilities with an aggression that would have been unheard of ten years ago is the marketing department. Examples of the way it lays the ground for the development of the bank's business services are its apprai*sals of each branch's economic* potential, and its assessments of the financial needs of small and medium-sized companies. It may then tailor special credit programmes for them. The department also monitors the performances of managers and if they are not active in the corporate field, it will want to know why.

Studies are made of local industry structures and approaches will be made to potential customers *even if they* are with a competing bank. Each branch works within a given credit limit but these can be exceeded in exceptional circumstances, albeit in a roundabout way which spreads with the load across a package, including money from the bank's instalment credit or mortgage bank subsidiaries.

Training

While much of what Commerzbank does, and the structure within which it operates, has parallels with British practice, a noticeable *difference exists* between the career structures and training of the two. Commerzbank is un*deniably more selective in its* recruitment, a feature which has attracted wry comment outside the bank about it being "stuffed full of intellectuals." Up to about four years ago, it was prepared to recruit 16-year-olds with the equivalent of "O"-level education, but with the change in the employment situation it *primarily* takes recruits with a minimum "A"-level standard of education, in contrast with Barclays, which still only stipulates a *minimum* of four "O"-level passes.

Commerzbank recruits are now *usually* aged 18 or 19 and begin with an apprenticeship lasting about two years. This *will include periods spent learning* banking on a day-release basis at special municipal schools (these exist for engineering and many other subjects within what is known as Germany's "dual system" of education). At the end of the apprenticeship the bank can decide whether or not it feels an individual is up to scratch and whether he or she will be taken on permanently.

The best of the apprentices will subsequently be drafted into corporate finance, money markets and exchange dealing. *The remainder* will *move* into other areas, such as retail and credit business at local *branches, and the better qualified* will move on to a series of additional regular training sessions that *take place* at regional training centres, usually based in hotels. There, apart from broadening their technical knowledge of banking, they will learn about such things as marketing and what approach they should adopt with customers. Each person mainly studies four main areas of banking: corporate finance; export finance; securities dealing; and personal banking.

Although the bank feels that it offers employees a choice of career path, it nonetheless appears that for the large majority who are not the most gifted, the reality is a very limited choice; there is little likelihood of their being able to switch tracks even from personal banking to securities dealing, let alone into corporate finance, or money and exchange *dealing.*

Commerzbank's commitment to training is exemplified by its new training centre near Frankfurt, which it built two years ago at a cost of DM19m. (£4.75m.). This is used for more advanced training for people aged about 24 and upwards; the training is done predominantly by relatively senior *personnel who will often themselves* have undergone a training course in teaching techniques.

For university graduates, the training process is a kind of speeded up version of the general programme, involving a 2 to 2½ year course at a much higher level of instruction. This course is also open to those who come in at an earlier age and are showing particular promise. The emphasis is heavily on *corporate finance: the curriculum* embraces four months on domestic banking, two months on securities dealings (most training here is done "on the *job"), two months on the technical* aspects of export finance and one year on corporate and more *general aspects of* export finance.

The new training centre is reserved for the brighter and more senior personnel and executives, and more than 2,000 of them are likely to attend a one-week course each year—about one in nine of total staff. This perhaps illustrates the intensity of the training drive at *Commerzbank. But while* the bank feels it pays dividends in terms of the breadth of expertise it has developed, there does seem to be a suggestion that it could run into a promotion bottleneck if it continues at such a pace.

On the other hand, it is also experiencing difficulty in persuading German nationals to *take on overseas assignments* in sufficient numbers to keep pace with the bank's international expansion.

Overall, Commerzbank paints *a picture of itself* as a financial institution which has developed very successfully since the last *war and which has gone through* some fairly dramatic phases in its evolutionary process—for example, when it went into domestic retail banking in a big way. It has had to develop new skills and techniques to meet the growing and more sophisticated demands of its industrial clients, as well as its private customers, and to do this has drawn upon the strengths of others, particularly British and American.

In financing industry Commerzbank has adopted policies which have made it extremely active across a wide range of facilities. Its general orientation, in comparison with Barclays, certainly favours the industrial customer, but this *must be set against* a background of different political and economic factors, as well as the very *basic fact that its* origins are completely different.

LOMBARD

Dead-end kids of Sunderland

BY ANTHONY HARRIS

THE exchange of discourtesies between Mrs. Thatcher and Mr. Callaghan over the Sunderland shipyard workers last week showed both party leaders thoroughly off form. Mrs. Thatcher asked a silly question —*not least because the two* halves of it, concerned with redundancy pay for Swan Hunter workers and the fall in real wages were completely unrelated. Mr. Callaghan missed the opportunity for a crushing answer which Sir Harold, for all his faults, would have seized. Her implied criticism of the Government was based on questionable figures and questionable logic.

Maximum

The figures were of minor importance, but the Government really should not let their opponents get away with quoting a maximum figure for redundancy pay—only a handful of very long service craftsmen will get £10,000, and the average entitlement under the shipyard scheme is about £2,000. The logic is much more important, but I doubt whether Ministers themselves understand it.

Mrs. Thatcher argued that it was silly to offer large redundancy pay to those who didn't want to work: and the answer is very simply that it is much better to lay off those who want to go than those who want to stay. If only their manners were not so bad, it would be rather more obvious that the Sunderland men are helping to fill an embarrassing gap in the Government's shipbuilding policy—the lack of any plan to carry out the reduction in capacity which has been agreed internationally.

I am not of course suggesting *that the boilermakers* were acting to a deliberate plan, and going on strike to compel their employers to offer the voluntary redundancy which has been so readily accepted in a number of steelworks, and now looks like disarming the Leyland militants at Speke. I am merely suggesting that they were not nearly so stupid or so blind as many commentators made out at the time. It is quite impossible to imagine that the strikers did not know that they were putting their *jobs* at risk when they refused to reach the agreements which would have kept part of the Polish ship order in Sunderland; it is perfectly clear that they didn't care.

Ministers find such an idea hard to grasp, because if you have put a *great deal of* effort and negotiation into the "triumph" of preserving some jobs temporarily, with the aid of heavy subsidies, it is only human to expect those subsidised *to be grateful. It does not seem* to occur to these benefactors that job satisfaction and the dignity of labour are not really very adequately provided by transparent handouts of the kind contained in the Polish contract. *Those young enough to entertain* some hope for the future, and those old enough to think that early retirement might make sense with a nice lump sum to start it, are right to be less than grateful.

There is, however, a second reason for Ministerial blindness. Those who spend their lives in Whitehall wrestling with the problems of depressed areas soon attain a state of mind in which they cannot believe that anything ever *happens* in such places unless they have personally arranged that it should. Yet even in Sunderland most things that happen are the result of individual decisions and individual enterprise. The jobs "lost" (though in fact they have been *gained in Govan, which now* stands a slightly better long-term chance of survival) have not been lost for ever. People move, new opportunities arise—and the few who get the full £10,000 may even have ideas for starting businesses of their own. Every recent study shows that in any reasonably buoyant economy, a good percentage of the redundant redeploy themselves much faster than regional trends would suggest.

Differentials

This points to the second truth which Labour Ministers find it so hard to grasp: the present level of unemployment is not just a matter of the level of *economic activity. It has* quite largely been created by Ministers and Trade Unionists —notably the recently canonised Mr. Jack Jones—who have campaigned so long for the low paid. The army of the unemployed is largely an unskilled army, who have been priced out of a job by unions who *should* have been demanding State handouts—notably higher child benefits—rather than lower differentials, and Ministers from Mr. Heath onwards *who have* mishandled incomes policy. Perhaps it would not, after all, be reasonable to expect Mr. Callaghan to give a straight answer to Mrs. Thatcher; but I fancy the volunteers of Sunderland could soon have explained to her why they are *so cavalier about* their subsidised, dead-end jobs. Preserve jobs for a short time when there's all that money going for leaving? She must be joking.

Lesser-known delights of red Graves

WINE

BY EDMUND PENNING-ROWSELL

TO MANY people Graves signifies a white wine, but the *best, or at least the most interesting*, are red. Curiously enough, though, these have not reputations equal to that of the finer classed Médocs, in spite of the fact that they are headed by the first-growth Haut-Brion. Historically too they have marked precedence over the Médoc, which was only effectively drained and planted in the 17th century; and what is probably the oldest vineyard of repute in the Gironde is a Graves: Pape Clément, *named* after the archbishop of Bordeaux who became an Avignon pope.

Bordeaux itself is in the Graves, and from within its mediaeval walls the vines spread to the surrounding gravelly land that gave its name to the district. Moreover, Haut-Brion is certainly the first *premier cru* to have been mentioned in English literature, when Pepys in 1663 referred to 'Ho Brien.'

In the process of urbanisation many vineyards have disappeared in the Bordeaux suburbs, not least within this century, leaving Haut-Brion and its neighbour, La Mission-Haut-Brion, as islands of vines among the villas and tower blocks. It was only in 1953 that the leading red and white Graves were admitted to classified status, and the 13 red wines and 8 white (five of the châteaux are in both lists) include all the estates of importance, which are confined to the communes in the vicinity of Bordeaux: Pessac, Talence, Léognan, Martillac and Cadaujac.

These red Graves differ in style from the classed-growth Médocs, tending to be dryer and having what is called *a goût de terroir*. This earthy taste must derive from the character of the gravelly soil, for the grape varieties are the same as in the Médoc, except that there tends to be less Cabernet-Sauvignon and more Merlot. Wine similes are notoriously difficult to establish, but the aroma of these red Graves often reminds me of the smell of bricks and brick dust: and they do have an earthy flavour.

The two leading growths are certainly Haut-Brion in Pessac, and La-Mission-Haut-Brion, mostly in Talence, and they form a good example of the differences in style of wines grown next to each other, for their vineyards are separated only by the main road to Arcachon. Although both have the true Graves aroma and flavour, Haut-Brion *is more elegant*, La-Mission more robust and a "bigger" wine.

Attempts in recent years to set one against the other have really been wide of the mark, if this means marking them relatively. Obviously Haut-Brion has the special qualities and style that made it a first-growth, and in my view it has been making remarkably fine wine in the last 20 years; even a very acceptable '68, in that disastrous year.

But then La-Mission-Haut-*Brion, run until his death in* 1974 by one of the most committed Bordeaux proprietors, Henri Woltner, also has long made outstanding wine, and if one is looking for off-years as the sign of a grower's skill, then *the '58 La-Mission is still very* fine. La-Mission usually takes longer to mature than its more elegant, lighter-seeming though full-bodied neighbour, also directed by one of the leading experts of Bordeaux, Jean Delmas. It was at Haut-Brion that the first stainless steel fermentation vats were installed in 1960. Across the road Henri Woltner had started to put in vitrified steel vats before the last war. It must be said that both wines have turned out highly successful after being fermented in what were regarded as dangerously revolutionary types of vat.

The La-Mission estate also owns in Talence the adjoining La-Tour-Haut-Brion, *a heavier* type of wine, but nonetheless Graves-like and capable of very long life. It deserves to be better known here in Britain.

Both at Haut-Brion and La Mission the '76 is lighter than the '75—a particularly big wine *at the latter*.

The next best red Graves is probably Pape-Clément of Pessac. It is rather an aristocratic, subtle wine with a certain austerity that detracts nothing from its finesse. During a recent visit to Bordeaux I made a short tour of most of these leading Graves, tasting in each case the '75 and '76 vintages, still in cask. After the two growths already mentioned, the Pape-Clément, a big wine with a good deal of tannin, was possibly the best.

Of similar quality are the small estates of Domaine de Chevalier and Haut-Bailly, both in Léognan, where six of the classed-growths lie. Chevalier also makes a really fine white Graves, as do Haut-Brion and La-Mission-Haut-Brion; the latter in the separate vineyard of Laville-Haut-Brion. Chevalier is a wine much appreciated by claret amateurs, for it has great distinction, but it only produces 40-45 *tonneaux* (=100-dozen bottles apiece) of red wine, as against 120-130 *tonneaux* in good years for Haut-Brion and Pape-Clément.

It is not found in Britain as commonly as it should be, and that applies also to its neighbour, Haut-Bailly, though Gilbey's (IDV) did a good deal to increase the latter's distribution a few years ago. It tends to be a lighter, but very well-balanced wine, compared with some of the other Graves. It made very fine '66 and '70, and the '75 has a great deal of style.

Another Léognan is historically one of the most celebrated Graves: Carbonnieux. Its white wine is probably better known than its red, which for some time seemed rather undistinguished, but it has certainly improved in recent years, and the '74, no great year, was excellent when sampled at the charming château. So was the '75, not a big wine and fairly tannic.

Although, in my view, that completes the list of leading wines, the other six are well worth "looking at," as the taster's phrase goes. Best known probably now, owing to American ownership since 1968, is Bouscaut, the only Cadaujac classed-growth. Also a red-and-white producer, it has improved a good deal in recent years, thanks to replanting and the supervision of M. Delmas of Haut-Brion. But I would not yet put it in the first division.

Olivier in Léognan and Smith-Haut-Lafitte of Martillac are both owned by the Bordeaux firm of Eschenauer, and are reasonably well known here; the first principally for its white wine. Both produce sound rather than exciting wine, but soundness and consistency are not qualities to be *despised*. Another Eschenauer property in Martillac is the non-classified La Garde that makes excellent, full-bodied flavoury red wine.

Of the other three classed growths, La-Tour-Martillac is owned by another devoted proprietor, Jean Kressman of the well known Bordeaux wine family. This is another sound, reliable wine, fairly well-known in Britain. The two remaining Léognans, Fieuzel and Martillac-Lagravière are less familiar. The former, after a variable period, changed hands in 1973, and its wines should be worth watching in the next few years. With the latter's wines I am not all that *au fait*, though I have visited the estate. *Those* that I have drunk have not seemed particularly distinguished, but standards change, and its prices are moderate.

I hope that this necessarily concise account of the leading red Graves will *encourage* claret drinkers to reach for their wine lists to see what they can pick up. Apart from the more expensive Haut-Brion and La-Mission Haut Brion, prices of the other leading estates are very similar to those of the second-growth Médocs, the others with the lower ranks. As, however, they are less well known here, they are often cheaper.

Rocket can beat Rodman

RACING

BY DOMINIC WIGAN

NO ONE should take it for granted that the season's leading four-year-old, Rodman, is going to be the comfortable *winner of this afternoon's Ward Hill Top* Table Hurdle at Huntingdon, for which he will be at prohibitive odds.

The handsome Uplands colt, a bay son of France's 1963 Derby winner, Relko, has not run since beating Morning Lee in Chepstow's Finale Hurdle a few days before Christmas and Fred Winter has been anxious to get a race in him for some time now.

If, as seems more than likely, Winter has left a fair bit to work on the possibility of Rodman "blowing up" close home in what seems sure to be yielding conditions cannot be ruled out. For this reason I would not care to take long odds on about John Francome's mount, and instead prefer to rely on Oriental Rocket.

An extremely smart performer on the Flat—and a much better one in that sphere than Rodman —Oriental Rocket was the six lengths winner of Ascot's valuable Sandringham Handicap, in which he defeated Bright Fire, in the early part of last season before beating Lily Langtry *almost as easily in Newmarket's* Suffolk Handicap.

Oriental Rocket, considered forward enough to make a brave attempt at this, his run over hurdles, could represent fine each way value at odds of about 7-1.

Josh Gifford almost always does well with the runners he sends to Huntingdon from Findon, Sussex, and it is not surprising to find him with a powerful team in action to-day. His half dozen—Mister Fantasy, Roadhead, Shore Captain, Beige Prince, Modesty Forbids and Monk's Flyer—could produce a treble in Mister Fantasy, Modesty Forbids and Monk's Flyer.

As expected, Fort Devon was all the rage in the Cheltenham ante post market yesterday, being well laid at both 3-1 and 11-4.

The Piper Champagne Gold *Cup favourite is now top quoted* at the latter price, and if we see an impressive performance by Midnight Court at Newbury on Saturday it is more than probable that the neighbouring chasers will have the market virtually to themselves on March 16.

Full Cheltenham Gold Cup betting: 11-4 Fort Devon, 7-2 Midnight Court, 7-1 Brown Lad, 11-1 Bachelors Hall and Royal Frolic, 14-1 Fort Fox, 20-1 Gay Spartan and Tied Cottage.

HUNTINGDON

2.00—Polo Boy
2.30—Oriental Rocket***
3.00—Mister Fantasy*
3.30—Rotomar Boy
4.00—Carnival Day
4.30—Modesty Forbids**
5.00—Monk's Flyer

Tugs free grounded oil rig

TWO tugs owned by a Dutch salvage company yesterday *pulled the grounded oil rig Orion* clear of its barge on rocks off the Guernsey coast.

The company acted to save the rig from further storm damage after fears that the barge was becoming dangerously unstable.

The rig was driven on to rocks *during a storm while on tow* from Rotterdam to Brazil earlier this month.

It is now planned to tow the rig to a Continental port for repairs.

Books and antiquities bring £56,423 at Sotheby's

SALEROOM

ANTONY THORNCROFT

SALEROOMS had a quiet day yesterday. At Sotheby's, printed books brought in £23,817.

Best prices were the £900 for the three limited editions of Swinburne, and £720 for a first edition of Dr. John Dee's *Conversations with the Spirits*.

An antiquities sale brought in £32,606, with top price of £620 for a South Italian Greek pottery bell krater.

A large mason's ironstone dinner service decorated in the oriental style in blue, pink, green and orange with pheasants perched on flowering peony, was bought anonymously for £3,500 at Christie's £55,406 sale of English and continental ceramics.

A large composite ironstone dinner service decorated in the Imari style in iron-red, blue and gilt, went to Graham and Oxley, the London dealers, for £1,900. It had been sent for sale by the Earl of Stair.

Duncan Smith, another London dealer, *paid* £3,000 for a pair of Paris bleu-du-roi ground two-handled ice pails, covers and liners.

Graham and Oxley gave £1,800 for a pair of two-handled sauce tureens and covers. Among *continental buyers*, Nickstadt from Germany paid £1,400 for a late Meissen tete-à-tete, painted in colours with figures and harbour scenes.

British buyers were dominant and prices consistently topped estimates, at a Phillips' sale of 19th-century English and Continental paintings which totalled £100,120, with only 5 per cent unsold.

Patterson paid £4,800 for a picture of timber clearing in Surrey by Edward Henry Holder, *dated 1871 (estimate £1,000)*.

The Village Fair by Thomas Webster was sold for £4,000 to Belcher. Ridley paid £4,000 for a landscape with shepherd and sheep by Otto Gebler. A Phillips' sale of furniture totalled £33,880.

Rare sale of stirrup cups

A pair of William IV stirrup cups and, centre, a George IV stirrup cup.

A PRIVATE collection of 38 fox-head stirrup cups is included in a sale of English and foreign silver on March 16 at Sotheby's. Only rarely does such a large collection appear at auction.

The cups date from 1770—the earliest known examples were *made in 1769—to 1834 and in*clude work by Paul Storr, Hester Bateman, James Phipps, Thomas Wallis, Philip Rundell and Thomas Pitts, who was one of the earliest and most prolific makers of stirrup cups.

The most important lot is a pair of fine William IV silver-gilt stirrup cups by Paul Storr dated 1834. They are 5½ inches high and are expected to fetch £5,000. Another important piece is a George IV silver-gilt stirrup cup by Philip Rundell, London, 1821, which is expected to fetch about £2,500.

Some of the cups bear inscriptions: one by P. A. and W. Bateman, dated 1803, is inscribed at the neck "Success to Fox Hunting and all Friends round the Wrekin." This inscription is found on many stirrup cups, the earliest being one by Thomas Pitts, 1770.

Another cup is engraved "Mostyn Hunt Races Wone by Mr. John Bawcutt's br f 26 March 1817." Sir Thomas Mostyn was Master of the Bicester Hunt between 1800 and 1829. He presented a large stirrup cup by William Bateman, 1819, to Gentlemen Yeomen of several hunting counties, which bears the inscription to this effect. Sir Thomas, *who was* a well-known eccentric, also had an eye-glass fixed in his hunting crop which he used as a quizzing glass.

Swedenborg skull

On March 6, the skull of Emanuel Swedenborg, the celebrated Swedish scientist philosopher and theologian, will be offered for sale by Sotheby's. Swedenborg, whose followers founded the New Jerusalem Church, which still flourishes in Britain, Europe and America, died in 1772 and was buried in the Swedish Church in Princes Square, London.

In 1908 his remains were removed at the request of the Swedish Government and are now displayed in Upsala Cathedral. However, only a few years after his death his grave was opend and his skull stolen, and it is generally known that the skull on view in Upsala is a substitute.

The "English" skull, as the present skull is known, has been subjected to a number of different scientific tests and the latest report, which was published by the Royal Society of Sciences of Upsala in 1960, states "The historical, anatomical, chemical and physiological investigations concerning the 'English' skull have not been able to furnish, individually, final proofs of identity of this skull with Swedenborg's cranium, but together they give so strong an indication in this direction, that they may be regarded as practically conclusive."

TV/Radio

BBC 1

† Indicates programme in *black and white*

6.40-7.55 a.m. Open University. 9.10 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 a.m.). 4.20 Wally Gator. 4.25 Jackanory. 4.40 Playhouse. 5.05 John Craven's Newsround. 5.15 Star Turn.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 Young Musicians of the Year.
7.20 The Rockford Files.
8.10 The Good Old Days.
9.00 News.
9.25 Play for To-day: "Bar Mitzvah Boy" by Jack Rosenthal.
10.40 To-night.
11.20 The Engineers.
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 2.32-2.37 p.m. For Schools. 5.55-6.20 Wales To-day. 6.50 Heddiw. 7.10 Pobol Y Cwm. 7.40 Ryan A Ronnie. 8.10-9.00 Festival of Welsh Mixed Choirs. 11.45 News and Weather for Wales.

Scotland—5.55-6.15 p.m. Reporting Scotland. 6.15 A Party Political Broadcast by the Scottish National Party. 6.25 Join BBC-1 London for Nationwide. 11.45 News and Weather for Scotland.

Northern Ireland — 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich): Look North (Leeds, Manchester, Newcastle): Midlands To-day (Birmingham): Points West (Bristol): South To-day (Southampton): Spotlight South-West (Plymouth).

BBC 2

6.40-7.30 a.m. Open University.
11.00 Play School.
2.15 p.m. Other People's Children.
2.30 Having a Baby.
†3.00 Propaganda With Facts.
3.30 The Living City.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 On the Rocks.
7.30 Newsday.
8.10 International Pro-Celebrity Golf.
9.00 Pebble Mill Showcase.
9.30 The Man Alive Report: MPs Rule OK?
10.20 Poems and Pints.
10.45 Late News on 2.
10.55 The Old Grey Whistle Test.
11.35-11.40 Closedown. Richard Bebb reads "The Girls of Llanbadarn." by Dafydd ap Gwilym.

BBC-2 Scotland Only: 11.35 p.m. Party Political Broadcast by the Scottish National Party.

LONDON

9.30 a.m. Schools Programmes. 11.54 Felix the Cat. 12.00 Paperplay. 12.10 p.m. Daisy, Daisy. 12.30 Kitchen Garden. 1.00 News plus FT index. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Sam. 3.20 The Rolf Harris Show. 3.50 Couples. 4.20 Get It Together. 4.45 Magpie. 5.10 Sportscene.

5.45 News.
6.00 Thames at 6.
6.40 Crossroads.
7.05 Dave Allen.
7.35 Charlie's Angels.
8.30 Armchair Thriller.
9.00 Wilde Alliance.
10.00 News.
10.30 A Change In Mind.
11.15 Gibbsville.
12.15 a.m. Close: Frances Cornford's poems read by Ursula Hanray.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 a.m. Anglia News. 2.00 Paperplay. 3.20 The Electric Theatre Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 11.15 Quincy. 12.15 a.m. Anthology.

ATV

11.55 a.m. Betty Boop. 1.20 p.m. ATV Newsdesk. 3.20 Quick on the Draw. 5.15 Laverne and Shirley. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 3.20 Friends of Man. 5.15 Indoor League. 6.00 Lookaround Tuesday. 6.25 Party Political Broadcast by the Scottish National Party. 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.15 Baretta. †12.10 a.m. Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 3.20 Wish You Were Here. 5.15 The Flintstones. 6.00 Report At Six. 7.05 Treasure Hunt. 10.28 Channel Late News. 11.15 Dan August. 12.10 a.m. Commentaires et Prévisions Météorologiques.

GRAMPIAN

9.23 a.m. First Thing. 1.20 p.m. Grampian News Headlines. 3.20 Women Only. 3.45 Cartoon Time. 5.15 Wings 'n' Things. 6.00 Grampian Today. 6.10 Country Focus. 6.25 Party Political Broadcast by the Scottish National Party. 11.15 Reflections. 11.20 Police Woman.

GRANADA

1.20 p.m. This Is Your Right. 3.20 Mr. and Mrs. 5.10 This Is Your Right (second chance to see Lord Winstanley's programme of advice). 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 11.15 Play the Game. 11.45 Bob Williamson at the Wheeltappers.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.20 The Electric Theatre Show. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 Emmerdale Farm. 11.15 Police Woman.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20 Miri Mawr. 4.30-4.45 Seren Wib. 6.00-6.18 Y Dydd. 7.05-7.35 Countryside. 10.30 Bywyd: Galwed Y Tywysog. 11.15 World In Action. 11.45-12.30 a.m. Celebrity Squares.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.25 p.m. News and Road Report. 3.20 Mr. and Mrs. 5.15 Pipet and Friends. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Party Political Broadcast by the Scottish National Party. 6.35 What's Your Problem? 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.15 Late Call. 11.20 Rush.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 3.20 Survival. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day including Southsport. 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.15 Southern News Extra. 11.25 *Westside Medical.*

TYNE TEES

9.20 a.m. The Good Word followed by North East News Headlines. 1.20 p.m. North East News and Lookaround. 3.20 The Odd Couple. 5.15 Nobody's House. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.15 The Collaborators. 12.15 a.m. *Epilogue.*

ULSTER

1.20 p.m. Lunchtime. 3.20 Mr. and Mrs. 4.18 Ulster News Headlines. 5.15 Friends of Man. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.30 Pro-celebrity Snooker followed by Bedtime.

WESTWARD

12.27 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.20 Wish You Were Here. 5.15 The Flintstones. 6.00 Westward Diary. 7.05 Treasure Hunt. 10.28 Westward Late News. 11.15 Dan August. 12.10 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.20 Houseparty. 5.15 Indoor League. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Dave Allen. 8.00 Robin's Nest. 11.15 Celebrity Concert: Henry Mancini conducting the Edmonton Symphony Orchestra.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett with this week's new Top 30 discs, including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.31 Dave Lee Travis including 5.30 Newsbeat. 7.00 Folk '78 (S) (joins Radio 2). 10.02 John Peel (S). 12.00-12.06 a.m. As Radio 2.

VHF Radios 1 and 2—6.00 a.m. With *Radio 2, including 1.55 p.m. Good Listening.* 10.02 With Radio 1. 12.00-12.06 a.m. With Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Cricket: Second Test—New Zealand v. England (report). 6.03 Ray Moore with The Early Show (S), including 6.15 Pause for Thought. 7.32 Cricket: Second Test (close-of-play report). 7.33 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Folk '78 presents The Yetties In Concert (S). 7.30 On The Third Beat (S). 8.02 Hubert Gregg at The London Theatre, part 34: Victoria Palace: Old Vic. 9.02 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Beat The Record. 10.30 Dolores Gray says Be My Guest. 11.02 Cricket: Second Test (report). 11.03 Brian Matthew with The Late Show. 12.00-12.06 a.m. News including Cricket: Second Test (further report).

RADIO 3 464m, Stereo & VHF

†Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Weber (S). 9.55 Academy of the BBC (S). 10.55 Joaquin Achucarro piano recital (S). 11.45 Vaughan Williams (S). 12.05 p.m. *Lucerne Festival 1977*, part 1: Sibelius, Salmen (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Lucerne Festival 1977, part 2: Klami, Sibelius (S). 2.05 *Beethoven from Bristol* (S). 3.00 A Little Light Music (S). 4.00 Paco Pena guitar recital (S). 4.35 The Vaughan Williams Symphonies (S). 5.15 Jazz Today (S). †5.45 Homeward Bound on records. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Work and Training. 7.30 The Art of Paul Schoffler on records. 8.00 Royal Philharmonic Orchestra, part 1: Prokofiev, Rachmaninov (S). 8.35 Finding A Voice, part 1: Beryl Bainbridge. 8.55 Royal Philharmonic Orchestra, part 2: Brahms (S). 9.05 The Ring and the Book by Robert Browning, part 1. 10.35 Haydn *and Beethoven* piano recital (S). 11.15-11.35 And Tonight's Schubert Songs (S) including 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 a.m. News. 6.17 Farming Today. 6.35 Up To The Hour. 6.52 (VHF) Regional News. 7.00 News. 7.10 Today. 7.35 Up To The Hour (continued). 7.52 (VHF) Regional News. 8.00 News. 8.10 Today including news headlines, weather, papers, sport. 8.45 Yesterday In Parliament. 9.00 News. †9.05 Tuesday Call. †10.00 News. †10.05 Round Europe Quiz. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Thirty-Minute [illegible] visits Cumbria. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity (S). †5.55 Weather, programme news (VHF) Regional News. 6.00 News. 6.30 Just A Minute (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Kaleidoscope. 8.00 Royal Philharmonic Orchestra (S) (as Radio 3). 9.59 Weather. 10.00 The World Tonight. 10.30 Not Now, I'm Listening Again. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 *Today In Parliament.* 11.45 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 News Extra. 9.20 London Live. 11.03 In Town. 12.03 p.m. Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 In Town (as 11.03 a.m.). 8.30 All That Jazz. 10.03 Late Night London. 12.00 Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

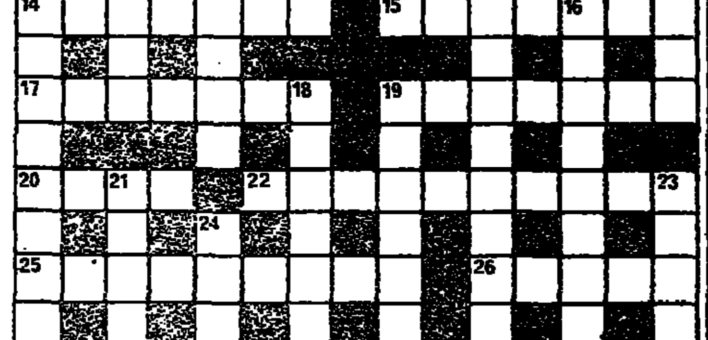
5.00 a.m. Morning Music. 6.00 A.M.: non-stop news, travel, sport, reviews, information. 10.00 Brian Hayes. 1.00 p.m. LBC Reports including George Gale's 3 O'Clock Call. 8.00 After 8 Political Special. 9.00 Nightline. 1.00-5.00 a.m. Night-Extra with Adrian Scott.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash with Cash on Delivery (S). 3.00 p.m. Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 a.m. Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,605



ACROSS

1 Contribute to membership fee with writer (9)
6 Thwart peevish hybrid (5)
9 Artefact found in barrel I catalogued (5)
10 Daily grind in source of newsprint (5-4)
11 Term of endearment about a monarch is unreliable (10)
12 Look forwards and backwards (4)
14 Roused prison radical (7)
15 Sediment coming from top side (7)
17 Wise Men state it's necromantic (7)
19 Tsarist leader and his money creating annoyance (7)
20 Left frequently in attic (4)
22 Propriety seems to embrace marriage certificate (10)
25 Finnish school session in a note (9)
26 'Angry,' that is, about rodent (5)
27 Chemical can returned to soldiers or 8 (5)
28 Made an appointment outside school and set off (9)

DOWN

1 Parts put up for a thong (5)
2 Swallowing but being unnaturally vile inside (9)
3 Male bird getting at cereal is a monster (10)
4 Suggested little devil gave a false impression (7)
5 Explain about former unit of currency (7)
6 Twist copper right and left (4)
7 Love to donate a pointed arch (5)
8 Chemical to cure favourite soliers or 27 (9)
13 Resistance to work-place (10)
14 Easy to name initially but a fool (9)
16 Absent but could be the occupant (9)
18 Draw fish up on the sheltered side (7)
19 Eastern politician in trial by Shakespeare (7)
21 Original tree on road (5)
23 Lay out for odds-on finish (5)
24 Iron I left inside to polish (4)

Solution to Puzzle No. 3,604

T	A	U	N	T	S		T	W	O	P	E	N	C	E
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he humanity of Rembrandt

by DENYS SUTTON, Editor of Apollo

eth Clark's new book, *An ction to Rembrandt* (John . £6.95), which is based series of television pro-s made for the *Ashwood* comes at an appropriate nen it is possible for the draw on the findings of research, such as Horst s revision of the master's and the results of investi- that have taken place in ch archives.

of the many pleasures by Lord Clark's small ll illustrated volume is presents a view of Rem- which is clear and with- many technicalities. It stimulating introduction nter who overwhelms us on of his rich humanity, h of his feeling and the r of his imagination. ndt never palls.

th Clark is able to build between sensibility and ge. Reliance on "feeling" hen discussing a work of o longer sufficient, as it he 1890s when R. A. M. n could write about z in such an affectionate usiastic way. Nowadays to be admitted, rather at the body of "litera- vailable about almost rtist is so considerable task of mastering it and viding a personal inter- is exceedingly difficult. critic bows out, the marches in.

aps that await the critic, not endeavour to keep of scholarships, are s. In the past it was imed that the decline randt's fortune occurred the Kloveniers Com- ho had commissioned t Watch, were dissatis- the result but, as Clark no evidence supports ention.

h Clark was brought n age when formal was considered to be object of the critic. engage in this pursuit l, as is shown by his about the Baroque in Rembrandt's art. He it, for instance that, *Belshazzar's Feast* in on National Gallery, is ned a baroque picture, is not, as the flow of , characteristic of this absent, he prefers to acobean." This is an description and one also be applied to Caravaggio's painting. does detect a baroque in Rembrandt's *Rape rine* in Berlin, which ort of painting that French eighteenth- rtists.

of Rembrandt are the powerful Italian on their hero. This rmed the subject of lark's Wrightsman's and he again points to these relationships, which are of fundamental importance for an understanding of Rembrandt's work. He also examines the anti-classical sentiment in some of the paintings such as the *Rape of Ganymede* and touches on Rembrandt's choice of beggars as models. The theme of the beggar in art has long haunted Sacheverell Sitwell.

Rembrandt's self-portrait

Rembrandt is the most autobiographical of painters whose series of self-portraits offer us, as it were, a visual account of the four stages of man. By studying the changing features of Rembrandt, a born rebel, we are somehow made more poignantly aware of life's troubles and dramas. His is an art that enlarges out experience, and even in looking at his works in reproduction something of his magic can be sensed. Kenneth Clark sums up the character of Rembrandt's self-portraits when writing: "His appetite for life urged him to gobble up his own image, but the detachment freed him from all evasions, excuses and self-pity which are the normal human reactions to that clamorous, irrepressible thing—the self."

One interesting section in the book deals with Rembrandt's relations with Geertghe Dircx who has been unfairly treated by the artist's biographers. In the last years of Saskia's life, she entered the master's household as Titus's *nurse*. Geertghe became the painter's mistress, but was replaced when Hendricjke Stoffels, a younger woman, joined the household. Clark suggests that Geertghe was the model for the luscious *Woman in Bed* in the National Gallery, Edinburgh, and supplies details about the calamitous end of his liaison with her. She sued him for breach of promise. In general, Rembrandt managed to work without paying overmuch attention to the ups and downs of fortune, but in this instance, he was deeply upset and nothing in his oeuvre dates from 1649 when he lost his case with Geertghe. The first works he did on recovering his equanimity were the exquisite etching of a shell and some landscape drawings.

Clark is interesting about the artist's finances. He observes that he seems to have been on excellent terms with his creditors. He was, however, badly treated by his union, the Guild of St. Luke, which brought in a special clause that "any members who had been sold up could under no circumstances be allowed to carry on a trade." Fortunately, Hendricke Stoffels, who had an angelic disposition, and his son Titus sold all his works, formed a company and gave Rembrandt free board and lodging.

Kenneth Clark's skill in communicating visual pleasure is shown in the account of *The Syndics* in the Rijksmuseum, Amsterdam. He relates the preliminary drawings to the finished picture, and refers to the "shattered, reckless style" of the master's latest drawings. He helps us to understand the way in which the picture was planned.

Rembrandt's ability to vary his way of painting is not the least remarkable of his achievements. There is, as Clark notes, a difference between the surface of those pictures in which paint seems to speak in "its own right" and is able to heighten "our emotions by its rich language" and those in which its purpose is to record visual experience. The distinction may be felt to be a fine one, but it is there.

Rembrandt is a gifted story teller, who found constant inspiration in the Bible. Kenneth Clark is illuminating when he notes that the master's etchings and especially his drawings show that he was greatly attracted by those incidents in which simple people realised that "they had been accompanied and directed by a higher power." He appositely compares an etching such as *Abraham entertaining the Angels* with a poem by Henry Vaughan which was written when the artist was alive.

One masterpiece that resulted from Rembrandt's study of the Bible was *The Return of the Prodigal Son* in the Hermitage, which is one of the most hauntingly visual images in existence. It is a profound and poetical statement of compassion.

The range and variety of Rembrandt's art is astonishing. He shows us the landscape of Holland and that of his own features, paints masterpieces of romanticism, such as *The Polish Rider* in the Frick Collection, takes us into the world of the underdog and interprets the familiar stories of the Bible. He draws on memories and the unconscious, and enriches our understanding of life. Lord Clark's book, a blend of interpretation and scholarship, will delight those for whom Rembrandt is the most majestic and human of all artists.

Festival Hall

Gil Evans

by KEVIN HENRIQUES

Canadian-born composer/arranger/pianist Gil Evans has become a legend in jazz, first for his work with the Claude Thornhill band in the 1940s, then later, and more illustriously, for his LP collaborations with trumpeter Miles Davis. Since his last album with Davis more than then years ago, Evans' recorded output has not been prolific but it was clear from what little he had produced that though still preoccupied with band sonorities he was moving into the rock and electronic fields, vide the album of Jimi Hendrix tunes.

This drift was confirmed at his Festival Hall concert on Saturday (one of six on his first tour of England) when he and his band were rapturously received by an audience which, in the main, was probably unfamiliar with the writing which made Evans such an important figure in jazz all those decades ago.

The reason for this enthusiasm was not hard to find. With three keyboardists (including himself), bass guitar and drums comprising five parts of the 13-piece line-up, an unduly heavy, almost overbearing but presently popular, rhythmic force dominated the 90-minute set. Whereas in the past Evans seemed concerned to achieve subtle texturing via unusual instrumentation—French horns and tubas particularly—this now takes second place to the intense rhythmic explorations and fortissimo sounds from the three trumpets and three saxophones. No longer is there beauty or evocation of moods in Evans' music.

Though several of his band doubled on various instruments not enough use was made of this available versatility. Clearly Evans' interest at present is in the sounds obtainable from synthesisers, clavinets and other keyboards. This was straightaway indicated by the opening number on Saturday, a whimsical, funny-noises version of the Thelonious Monk composition, "Rhythm-a-ning."

In the main the front-line soloists had to battle against the barrage behind them but full-blowing tenorist George Adams, who had most of the solo duties, was more than equal to the task. It was surprising, though, that little was heard from one of the new "stars" of jazz, trumpeter Marvin Hannibal Peterson who did not get a chance until the end to show what a master of nuance and fieriness he is.

Though the enthusiastic audience was amply satisfied by the contemporary rock feeling of Gil Evans' music—for me the first half, devoted to a performance of Stan Tracey's latest extended work, *The Salisbury Suite*, and played by his all-acoustic octet, was far more riveting.

Without question pianist Tracey is the most outstanding all-round jazz musician this country has produced and this work, in three parts, is as good as anything he has written. It gets off to a hopping start with a compulsive movement called "Peg Leg Bates" (doubtless in memory of the dancer who appeared with Louis Armstrong in London) in which a tempered rhythmic pulse supports three soloists, Don Weller, Harry Beckett and Malcolm Griffiths.

Here as in the other movements, Tracey's writing is full of surprises and it is thickly textured in the ensemble passages. He is never afraid to use unusual devices and he eschews the predictable. For instance the final movement began with a long bass solo. A drum solo was tucked away in the middle. Then, to increase the tension as the Suite neared its conclusion, tenorist Don Weller took a roaring stop-chorus.

For Tracey—and for Evans—listeners around the country have to thank the efforts of the *Jazz Centre Society and the Arts* Council's Contemporary Music Network for what was, despite personal misgivings, one of the best-value concerts (three hours) London has heard for a long, long time.

Elizabeth Hall

Pia de' Tolomei

Last year brought some Donizetti disappointments—first Camden Festival's production of *Il castello di Kenilworth*, which introduced to us an almost unrelievedly dull work, and then the Covent Garden revival of *Maria Stuarda*, very dully performed. But the current *anno donizettiano* has begun well, if Sunday's concert rendition by Pro Opera of *Pia de' Tolomei* was a portent; for in its first *British performance* was revealed an unknown Donizetti work in which the musical invention is, at its best, of unusual power, beauty, and distinction, and in which the high level of invention sustained for long stretches.

Pia, first given at Venice in 1837, is Donizetti's 56th opera. It was produced in that fertile period which had already brought forth *Lucia* and *Belisario* and which was to continue with *Roberto Devereux*. After the 1967 Siena staging, the first this century, Andrew Porter wrote in these columns of "an opera unusually interesting and rich by any standards." In the Donizetti vogue of the 60s and 70s the fact that the work has been given scanty attention by comparison with *Maria Stuarda* or *Devereux* may be explained by its dramatic weaknesses.

Cammarano's libretto is slender in dramatic interest—Pia, slandered as an adulteress, is poisoned before her innocence is revealed to her husband. The plot was diluted further when at a late stage the composer was forced to introduce a breeches part for the mezzo-soprano Mazzarelli at the behest of the Venice president, Count Berti. The role, Pia's brother Rodrigo, is inessential to the action, and the music Donizetti composed for him is mostly undistinguished.

But by Pia, her husband Nello (baritone), and the treacherous Ghino (tenor), and by their emotional entanglements, a chord was struck in the composer; for he demonstrated unusual tenderness and delicacy in the lyrical phrases he gave to each, unusual care about matching musical progression to character, and unusual (for Donizetti) insistence on sustaining mood. There are few trumpery cabalettas or egregiously aggressive strettas. The music has been described as Bellinian in cast; and certainly, in such numbers as the E major duet of reconciliation for Pia and Rodrigo, the twining of soprano and mezzo voices in long, ravishingly tender chains of thirds and sixths shows kinship with "Mira, o Norma." But the blend of simplicity, seriousness, and open (yet unpredictable) Italianate *cantabile* such as one hears in the duet for Pia and Ghino in Act 2, is inimitably Donizettian. It is an opera one would love to see grandly cast, or to explore further in a grandly sung recording.

Sunday's cast, in major part that of the 1976 Pro Opera *Maria di Rohan*, was strong. Lois McDonall, though she has not the warm, lambent timbre of an Italian soprano, is now a Donizetti interpreter of real distinction, able to trace the line bravely, powerfully, gently, able to colour it with countless eloquent touches. Her Lucrezia in the forthcoming ENO *Due Foscari* should, on this evidence, be something to look forward to. Similarly, though Anthony Roden's tenor is not an open, romantic instrument, his handling of the music was sensitive; in his opening solo, a slowly descending chromatic scale in equal note-values (similar to the one which comes near the close of the aria "Vivi, ingrato" in *Devereux*) was poetically voiced, in firm tones that gave full value to each note.

The central trio was completed by Jonathan Summers, vigorous, passionate, full-mettled of voice as Nello just as in everything he does. When the sound is so exciting, would not an exploration of the lower dynamics, a less persistently hard-hitting delineation of phrases make it even more so? Della Jones's trim mezzo and urgent, vibrant manner found much in Rodrigo's two showy numbers; the bass, *John Tomlinson*, was in commanding form. The opera was most sympathetically conducted by Leslie Head, though in the second part the pacing tended to be less alert than in the first. A pity only that, in this chorally distinguished Donizetti opera, a more confident men's chorus could not have been assembled.

MAX LOPPERT

Elizabeth Hall

Louis Halsey Singers

The popularity of a couple of Purcell's important Odes has caused the others to be unfairly neglected: it was good to have *Love's goddess sure was blind*, the 1692 Queen Mary Birthday Ode, as the major work in Louis Halsey's concert on Saturday evening. There are two ravishing duets (crisply dispatched here by John York Skinner and Paul Elliott), a hilarious soprano aria using Queen Mary's favourite folk song as a ground bass (firmly projected by Jean Knibbs, with Francis Baines working away with inexhaustible gusto on the bass line), and an ethereal, deeply moving quartet which interrupts the final jollificatory chorus.

The other comparative rarity in the programme was Britten's cycle of medieval settings *Sacred and Profane*: quite out of their time, these 1975 pieces could surely have been written at any date in the last 25 years. They will never replace the marvellous *Hymn to St. Cecilia* or *Rejoice in the Lamb* in the choral repertory, but some of the eight isolated movements are gems, particularly the angular "Lenten is come" and the weary "Ye that pasen by." The demands they make on the singers are by no means negligible, and Louis Halsey's choir skilfully negotiated the difficulties, bringing deft rhythms to the skittish Carol and a fine climax to the grim little vision "A death."

The evening had begun with Handel's Coronation Anthem *Let thy hand be strengthened* accompanied by the orchestra of baroque instruments which had been gathered together for the occasion. The solidly sustained voices of the choir did not seem very responsive to the lighter style of the instrumentalists, however; such increasingly common mixed marriages between conventional voices and old instruments are fraught with problems. Stephen Preston's account of Bach's Second Suite had a chamber-music quality which was unhappily contradicted by the full body of accompanying strings, while Martin Neary seemed more nervous in his solo Handel Organ Concerto (Op. 4 No. 2) than he did when providing excellent harpsichord continuo playing in the rest of the concert.

NICHOLAS KENYON

...ate

The Maid of Orleans

by ELIZABETH FORBES

rs are beholden to College Opera for the mieres of several chu- ks, among them second opera, *Das ot*, and Verdi's Now the society has ur debt by staging the mance in this country sky's *Maid of Orleans*, n English translation Matthews and simply tively produced by r Renshaw, with Peter lourful sets as back- Miki Van Zwanen- ngeniously designed

ng his own text out of drama *Die Jungfrau ns*, Chaikovsky keeps e original than Solera is adaptation of the Verdi's *Giovanna* The Russian composer even restores Joan's historical death at the stake — in both Schiller and Verdi she is killed in battle. Though very unlike Shaw's simple peasant girl with her unshakable faith in a divine mission, Chaikovsky's Joan is a *theatrically convincing figure*, three parts visionary mystic to one part romantic innocent. Betrayed by her love for Lionel of Burgundy (a conflation of two characters in Schiller) she considers herself guilty and cannot refute her father's accusation of witchcraft.

Composed just after the completion of *Eugene Onegin*, the score of *The Maid* grows out of a central solo for its female protagonist, as does the earlier opera. Joan's narrative to the court at Chinon of her call to God's service may not be as musically rewarding at Tatyana's Letter scene, but is equally self-revelatory of the character's emotions. Indeed all Joan's music echoes her passionate sincerity, and at the Collegiate, Dianne Stafford transmitted both the girl's belief in her own vocation and the bewilderment introduced by her feelings for Lionel. Her voice, expressive but sometimes harsh-toned, suited the warrior-saint better than the shepherd-girl or lover; nevertheless, it was a most compelling performance.

Tom McDonnell imposed his own brand of honest conviction on the potentially cardboard figure of Lionel so powerfully that Joan's emotional dilemma became perfectly credible: otherwise the best-drawn character in the opera is that of Charles, a *tenor role*. Geoffrey Pogson sang this most unheroic King with, on occasion, rather too heroic a timbre, but brought out the obstinacy of the weakling, as well as his desperation, very clearly. Carole McKenzie made a voluptuous-voiced Agnes Sorel, whose offer to give up her jewels for the King's cause is expressed in smooth, Gounod-esque idiom.

Thibaut, Joan's father and an entirely unsympathetic parent in this version, was firmly drawn by Gerwyn Morgan, while Richard Berkeley Steele, as Raimond, Joan's ex-suitor, showed a little more compassion. Rex Taylor-Craig was a bluff Dunois. The patriotic choruses, Glinka-inspired, were rousingly sung; in the introduction to Act 3, a battle-picture foreshadowing similar representations in Prokofiev's *War and Peace*, the orchestra played with roof-raising energy, but Guy Woolfenden, the conductor, shaped the more reflective moments in the score with sensitivity.

...hall

Deep Throat

ANTONY THORNCROFT

ll these days is the has absolutely every- the tourist—politics at pageantry on Horse the middle; and now near Trafalgar Square, Sensational Sex Revue ntury at the Whitehall

roat as a title might lure in the innocent out it is really intended those who know their d Linda Lovelace. Not particular sexual in- is given much pro- a stage; in fact nothing much prominence on as a stimulant Deep small beer—but it is a show of gymnastics. ducer Paul Raymond knows much more what ese visitor wants than would have thought it for the dozen attractive lose their clothes so At least in Hair the nakedness provided a climax: in *Deep Throat* it is regarded as the natural state of things and, since there is no dialogue sustaining interest, puts a strain on the performers.

To a great extent they come out of it very well, maintaining a miraculous precision as they go through the charades of everyone's presumed sexual fantasy, from motor bikes to jackboots. They also manage to look healthy and happy as they twirl each other around, feinting and fondling, but never getting anywhere near reality. The men make the most of their small parts, but in the need to keep the right side of decency shows like Deep Throat are nothing more than heavy footed exercises in contemporary dance for most of the time, just occasionally becoming thrillers with the last chapter lost when the producer removes all the surplus bodies from the stage and allows a more sentimental pas de deux.

Festival Hall

Beethoven's Ninth

by DAVID MURRAY

Beethoven's "Choral" Symphony is not a work that anybody wants to hear experimented with, daringly experimental though the music is. A merely routine performance, on the other hand, constitutes another kind of offence. Ripe mastery on the podium is the best guarantee of the *Ninth*, which will answer the peculiarly sharp expectations it arouses. Eugen Jochum, the London Symphony's Conductor Laureate, fills the bill admirably, and on Sunday night there was a full house to welcome him.

Finding a suitable work to precede the *Ninth Symphony* is a problem; and earlier Beethoven piece is the conventional solution, but usually it gets grudging rehearsal-time. In principle, Mozart's *C minor Serenade* was an inspired choice: it employed just eight winds, who can do without a conductor, and its extraordinary density and compactness make it a noble foil—and much more than a foil—for the expansive Beethoven. This time the LSO Wind Ensemble blurred its stern proportions a little. There was assured playing in the later movements, but the opening Allegro is the crux, and they flew at it too hastily to measure its proper weight.

At any rate, the Symphony had clearly been given unsparing attention. If there were negligible faults in ensemble in the odd place, Jochum drew intensely committed playing and singing from his forces. It was a reading without tricks, though his tempi were generally brisk—there was a tearaway coda for the Finale, risky but irresistible (*Almost* irresistible: the soloists had sat down comfortably a few pages earlier, which felt wrong.) Some conductors think first of the overall tone to be set for each movement, and adjust the details accordingly; with Jochum it was the continuing argument which held the foreground, bar by bar, the various voices carefully spread out and set against each other. There was not an inert page, nor anything which insisted too much.

Robert Holl called the singers to order with passionate conviction; Julia Hamari and Stuart Burrows seconded him fervently, and Kiri te Kanawa capped the quartet with exciting confidence. The London Symphony Chorus made a splendid noise (with too little help from their tenors), sealing a genuinely heart-stirring performance.

...ham's

...na Jurinac by RONALD CRICHTON

f the most beloved f the post-war years, nac was warmly greeted ecital on Sunday and ith flowers at the end. ce moves a little stiffly low music, and there rrent tendency on this o sing below the note. ne flexibility was never urinac's trump cards— led more in musician- derstanding, and indi- auty of voice with a s, tantalising, by no rmful veil on the tone. The *Mary Queen of Scots* songs were prayers in recitative—had it not been for surpassingly good diction one might have said the voice was a viola. *Frauenliebe und Leben* revealed that quick-moving songs ("Er, der herrlichste von allen" and "Ich kann's nicht fassen") go more easily now than slow or moderate ones—the feeling for phrase and the art of binding phrases together are still consummate.

The Eichendorff cycle op. 39 was disappointing—firm in line but, from this most expressive of artists, too often blank in expression, as in "Auf einer Burg." Confidence returned partly with the final "Frühlingsnacht," wholly with the encores, including two Brahms songs fully and passionately voiced. The playing of Geoffrey Parsons at the piano was exemplary. Wyndham's is good for song recitals, but the Vocal Art Appreciation Society should encourage the *theatre staff not to chatter* in earshot of the auditorium and not to dim the lights so that words of songs cannot be read.

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Concession on debt

DEVELOPING NATIONS have regularly voiced demands for a cancellation or rescheduling of their debts since their current accounts plunged deeply into the red in 1974 under the double blow of the increase in oil prices and the world recession. The West's response has been unsympathetic. The majority view among industrialised nations has been to consider requests for relief on a case by case basis but to cold-shoulder any suggestion of a whole-scale cancellation. It is thus something of a surprise that British Ministers are now looking at a proposal put up within Whitehall for reducing the payments on principal and interest on past loans to the poorest nations as an extension of the aid programme.

A rough ride

Much of the pressure for this has undoubtedly come from the example of the Swedes, the Dutch, the Swiss, and the Canadians who last year decided to write off some of their official loans to the least developed. But other Western governments are now thinking along the same lines. The policy is a good one. The questions come over the timing of such a move and which of the poorest should benefit from it.

The reason for welcoming the policy is that over the next two years the developing nations are in for a rough ride that could provoke another nasty clash with the West of the type that initiated the so far fruitless North/South dialogue. Developing nation current account deficits are likely to widen further with the slow-down in the Western economies and the reduced demand for commodities and raw materials. Exports of manufactured products are likely to be hit by the upsurge of protectionism. The service of debt incurred after the 1974 crisis will reach a peak. The richer developing nations will pull through largely on the back of further borrowing. For the poorer, without access to the commercial markets, it will be a squeeze.

The cost to Britain of waiving payment on principal and interest from nations with an income per head of under $280 is about £55m. a year. This is the equivalent of about one-eighth of the bilateral overseas aid budget. Most of it would be offset by a reduction in flows to richer developing countries, thus implying a minimal increase in public expenditure. Much of the debt would have had to be rescheduled anyway because countries like Pakistan do not at the moment have the capacity to make the payments. The impact of such relief measures on the international credit structure — more alarmist bankers fear that it could trigger off a chain reaction of default — would in practice be marginal.

Even within the band of countries with an income per head of under $280, care would be needed in selecting which were eligible for relief. It would be silly to waive debt from an oil producer like Indonesia as it would be morally wrong to make such concessions to Uganda under President Amin. The main disadvantage of using such a measure as a form of aid is that it benefits most, and in an arbitrary fashion, nations like India which have run up the largest obligations in the past. But it has the merit of being a quick and inexpensive means of easing the balance of payments problems of those nations most likely to feel the pinch of a shortage of foreign exchange. It is also the type of gesture that could help deflect the orchestration of demands over commodity price stabilisation or the restructuring of international institutions such as the IMF where the West is less ready for concessions.

A unilateral move by Britain at next week's UNCTAD ministerial meeting in Geneva would be premature, however, and disruptive of the unity of the West over parallel North/South issues. It is also worth trying to involve the OPEC states in such a relief operation. The right timing could well be in the run up to the UNCTAD V conference in Manila next year which will be the occasion for a full review of the progress in the North/South dialogue.

The dollar still unsettled

THE U.S. dollar, which has continued to drift steadily lower recently, despite the decision taken at the beginning of the year to support its rate in the foreign exchange markets, has recovered a little ground in the past couple of days. This is almost entirely due to action taken by the Swiss authorities to discourage further the heavy inflow of funds from abroad. On Friday they cut interest rates and extended the scope of the negative interest rate levied on foreign deposits. Yesterday they introduced measures designed to prevent foreigners from investing in Swiss securities.

But measures of this sort, though they may conceivably make it easier for the Swiss to manage their own economy, are unlikely by themselves to have a lasting effect on the climate of opinion about the dollar. Indeed, they seem to have been introduced partly to discourage a move into Swiss francs not out of dollars but out of French francs, ahead of the coming elections. The continued weakness of the dollar during the past few weeks has been attributed to a number of factors, including the U.S. coal strike and a delay in the change of leadership (which itself, when first announced, caused some disquiet) at the Federal Reserve. But the more fundamental factors remain what they have been since the Carter Administration took over.

Oil imports

Two of these, in particular, have been particularly influential. The first is uncertainty about the Administration's foreign exchange policy, its decision to intervene in the markets helped for a short time to mitigate the damage caused by the idea of benign neglect. But it is far from clear that such intervention is intended to do more than smooth out unusually violent fluctuations in the markets. Certainly Administration officials are no longer seeking actively to talk the exchange rate down; but they would not deny that, under a system of floating exchange rates, a country in heavy balance of payments deficit can expect to see its rate fall and hope to gain some trading advantage thereby.

This uncertainty about U.S. exchange rate policy is, of course, strongly coloured by the running and public dispute between the Administration and the governments of surplus countries like Japan and Germany. The dispute between the U.S. and German Governments has been particularly bitter and fruitless. Though there is probably something to be said for both points of view—the relatively fast U.S. rate of growth is helping to support the world economy and the Germans have already taken such steps to reflate their own economy as they consider compatible with keeping inflation under control—there is no advantage for anyone in open acrimony. The fact that the U.S. has made so little progress on this front has not helped the reputation of the Administration or confidence in the dollar. Perhaps yesterday's OECD meeting will help to bring about a change of approach.

Investments

The other factor which tends to upset confidence, inside as well as outside the U.S., is the medium-term economic prospect. There are two separate facets which are relevant. The first is the heavy balance of payments deficit which the U.S. is running and which may well increase this year. It may be said that this is a necessary and worthwhile price to pay for a relatively fast rate of growth, but a large part of it is due simply to failure to contain oil imports. Congressional action on energy-saving, even if it were to have little immediate effect, would do much for the dollar. The other facet is that, partly because of doubts over future profitability, the capital investment needed to sustain the present rate of growth may not—despite yesterday's survey—be forthcoming. As Mr. Norman Robertson summed it up at a world banking conference yesterday, the outlook for 1978 may look reasonably good but 1979-80 may well be a different story. Caught between uneasiness about the present trade deficit and about a future downturn in business activity, the dollar is in an unhappy position.

Old systems under siege at the Stock Exchange

BY NICHOLAS COLCHESTER

A REMARKABLE pressure is building up to change the way in which London's Stock Exchange provides a market for securities. The credibility of the old system is now in question. The Monopolies Commission will shortly publish a scrutiny of the jobbing business. The Office of Fair Trading is committed to examine the Exchange's restrictive practices, including its fixed commissions. The internationalisation of the securities markets is making it difficult for the Exchange to preserve its different way of doing things. And from Wall Street comes an infectious atmosphere of upheaval.

These pressures have already had some effect. It is notable how widespread, in the City, talk of the end of the old system has already become. There is an almost fatalistic belief that the days of stock jobbing and fixed commissions are numbered. The Exchange itself is defensively stressing its flexibility. A committee of senior partners of its member firms is arguing about the future in wide-ranging terms. Above all, the membership is increasingly trading securities in ways that make the exchange floor and the present trading principles look irrelevant.

Competing jobbers

The essence of the present system of trading lies in the twin principles of "single capacity" and "competing market makers." The first establishes that members of the Stock Exchange act either as market-makers — jobbers — in specific securities, or as agents approaching those market-makers on behalf of the investing public. They do not do both. This minimises the chance that an investor places an order with a broker having a vested interest in the price of his security. The second principle is that there should be competing jobbers for each security, otherwise the investor is merely exposed to vested interest at one remove.

These principles evolved in the second half of the last century. The imminent Monopolies Commission report on the planned merger of Smith Brothers and Bisgood Bishop, two major jobbing firms, will mark the centenary of a Royal Commission that studied the Stock Exchange in 1878. This Commission found that the jobbing system provided a satisfactory market in securities so long as turnover in them was sufficient. But it also found that the distinction between jobbers and brokers was blurred—especially in the market for foreign securities.

Despite repeated attempts to make the division between the two functions a firm one, it was not until 1908 that the principle of single capacity was formally made part of the Stock Exchange rules. The nub of the matter was that single capacity was impossible to uphold unless commission rates for brokers were fixed. An Exchange Committee reported sadly in 1911: "it is impossible fully to enforce the rule restraining the dealer from trading with a non-member if he is able to employ a broker at nominal remuneration to pass his bargain through." In 1912 fixed commissions were introduced—on the basis of a narrow majority—and have remained inextricably bound up with single capacity ever since.

The most damaging question hovering over the jobber-broker system is the simple one of its viability. A combination of exchange controls, the rise of the investing institutions, and the increasing cost of financing market positions has made the business of pure market-making in British securities much less attractive. Stock jobbing has long been a declining profession. Whereas in the 1920s, Stock Exchange membership was equally divided between brokers and jobbers, to-day only 12 per cent. of the membership belong to jobbing firms. As the number of jobbing firms has dwindled to its present total of 14 the principle of competing market-makers has been eroded and the value of the broker's function as an independent agent has therefore decreased.

The more unsatisfactory the market on the exchange floor, the more the broker can attract clients by looking for a market away from it. This is what is happening in London to-day. A growing proportion of stock exchange business is being transacted by "put-throughs," where brokers bring together institutional buyers and sellers themselves. In specialised sectors of the market—investment trusts, for instance—the put-through probably accounts for two-thirds of trading volume.

The letter of the Exchange rule book is upheld by informing the jobbers of put-throughs and by paying them money to make the appropriate riskless entries in their books. But the spirit of the rules is stretched. Brokers often act as principals in such dealing—by committing themselves to buy stock before they have found a buyer, for instance. If, at the end of an account, they are left with a block of stock on their hands, skilful backroom manoeuvres put off the day when stamp duty must be paid.

In short, brokers are already approaching "dual capacity" in such trading. They are making profit through a combination of broker's commission and dealer's "turn."

The second factor undermining the jobbing system is the contrast with international security markets, where secondary trading tends to take place between broker-dealers, with or without exchange floors. British jobbers and brokers want to compete on an equal footing in these markets, and equally, foreign broker-dealers want to trade in their own way in that select group of British securities that are attractive to the international investor.

There are London brokers who feel that the London Stock Exchange has deprived its membership of international business in its attempt to preserve single capacity. They cite the Eurobond secondary market as an example of a lost opportunity.

Terry Kirk

An active day on the London Stock Exchange floor; but there is widespread belief that the days of stock jobbing and fixed commissions are numbered.

Foreign lack of interest

They can find a limited historical justification for saying this. The growth of the Stock Exchange in the second half of the last century, before single capacity was fully established, was due in large measure to its rise as a trading centre for international bonds. But it is difficult to believe that Stock Exchange restrictions have been anything more than a minor irritant when compared with the relative decline of the British economy and with the Exchange Controls that shore it up. These led to an insuperable combination of foreign lack of interest in British securities and British inability to buy foreign shares.

It is precisely where there *is* an international interest in Exchange-quoted securities that the single capacity system comes under pressure. British jobbers have been forced to follow the market for gold-mining shares abroad. They are now effectively acting as broker-dealers, working through correspondents in foreign financial centres and therefore by-passing the British brokers who should in theory act as agents for them. Brokers claim that the same is happening in internationally accepted stocks like BP.

British Government bonds are another example of a universally acceptable security which could lead the single capacity system to collapse in the scramble for business. Gilt-edged trading accounts for 90 per cent. of the cash turnover of the Stock Exchange. It is a vital support for the jobbing system. Merchant banks would like to make markets in gilts, using the Ariel computer trading system as a direct link with institutional clients. American investment banks would like to deal directly with market-makers rather than through London brokers. The brokers, too, would like to make markets using their gilts as collateral to obtain the necessary finance from banks or institutions. Already, a substantial part of gilt trading takes place by way of put-throughs.

So far, pressure from the Bank of England has contained the centrifugal tendencies in the gilt market. The Government Brokers' ability to regulate the gilt market would be threatened by a free-for-all. This great vested interest in the *status quo* makes the future of the gilts market a key consideration in the top level discussions of the future of the Stock Exchange's trading system.

A third factor challenging the present system is the American precedent for Government intervention in the secondary markets for securities. From the middle 1960s when the Wall Street broking industry luxuriated in a combination of fixed commissions and an institutional cult for equities, the Securities and Exchange Commission campaigned constantly against the "club." It wanted to remove the broking industry's right to fix commissions. It sought to create a national market for securities, rather than one dominated by the New York Stock Exchange.

Negotiated commission rates were introduced in New York on May Day 1975 and with devastating effect. Coinciding with a general disillusionment about equity investment, the move led to a price war and a spate of mergers and shut-downs in the broking business. Only now, after three years, are major investment banks making their first tentative attempts to stabilise commissions.

In its second aim, the creation of a national securities market, the SEC's campaign has faltered. The rule that attempts to preserve the main market in U.S. shares for the New York Stock Exchange is "rule 390." The SEC was set to abolish this rule but has now given it a reprieve. A little taken aback, perhaps, by what it had achieved already, it decided not to undermine the present market system on Wall Street without having a clear idea of what should emerge from the rubble.

This is a summary of events that are of significance to the London Stock Exchange. Mr. Robert Fell, the chief executive of the Stock Exchange, recently travelled to the U.S. to see their consequences. He shares a widespread feeling that the U.S. Government's interest in the workings of Wall Street spilled over into the relevant parts of Whitehall. Just as the Office of Fair Trading and the Monopolies Commission have followed Washington's lead in probing the securities trading "club," so the trauma that swept through Wall Street, and the SEC's second thoughts, may discourage the British authorities from ordering sudden change.

The Stock Exchange membership has in any case been let down more lightly than its Wall Street counterpart. Thanks to the challenge of Ariel, a computer trading system that offers institutions an alternative way of trading securities, the Stock Exchange cut its commission rates early in 1973 in a way which, together with later adjustments reduced dealing costs for those institutions.

To-day, these commissions are fixed at a level that prompts few complaints from institutional investors and at which services for the small investor are already mildly subsidised. At the same time, the current price scale leaves the London stockbroking firm hungry enough to change its ways. It has turned its dining room into a block-trading room. It is trying to sell the output of its research department to industry and for cash, instead of to investors for commissions. It is moving back into the business of corporate finance which it surrendered to the merchant banks in the fat years of the 1950s and 1960s.

Soundproof wall

For the moment, it is this economic pressure, rather than any Government diktat, that is forcing the pace of change on the stock exchange. By all accounts a tough debate is taking place in the senior partners committee. There is stiff resistance to the idea of "double capacity" — which is really dual-capacity with a soundproof wall between the broker part of the business and the market-making part.

The arguments against sudden change are strong. The American experience has shown how one stock trading cartel can be abolished only to give way to the threat of another, a small circle of market-making investment banks. It has shown that fully negotiated commissions put prices up — not down — for the small investor. Sudden change would also be a threat to the probity of the London Stock market, for the Exchange's restrictive practices are closely bound up with its powers of self-regulation.

Yet these arguments can only act as sea-anchors on developments. The one unanswerable argument for changes in the trading system is that they are effectively taking place already.

MEN AND MATTERS

Didcot debate: over to Evans

WHEN secretary-general Jack Jones clears out his desk at Transport House, and hands over any bits of unfinished business to successor Moss Evans, it is a fair guess that he will be glad to see the last of the Didcot dossier. It has just cost him a stiff rebuff from Sir Michael Swann, BBC chairman, and caused a tetchy series of exchanges with NUR secretary-general Sidney Weighell — which the luckless Evans will have to carry on with.

This column first wrote three months ago about the pressures exerted on private companies by some officials of the Transport and General Workers Union to force the closure of the Didcot rail distribution centre. The officials, mainly Southampton docks' shop stewards and organisers of lorry drivers, have succeeded superbly (by their own standards): the centre has just been reduced in size by 85 per cent. They have also brushed aside protests from the National Union of Railwaymen, who rightly see the "fixing of Didcot" as bad for them.

It must be riling for Jones that the BBC has totally rejected his demands for "a full public retraction" of a Tonight programme that laid bare the whole Didcot story. This comes hard on the heels of his Festival Hall farewell at which Premier Jim Callaghan praised his efforts in sustaining the Government "almost miraculously." I was told yesterday by the BBC that since the programme was screened, railwaymen have rung up saying that

"To be spent on Starsky and Hutch, I suppose!"

"T and G pressure tactics" of the Didcot variety are going on elsewhere. Several calls came from South Wales. "We get the impression that Didcot is just the tip of an iceberg," says Roger Bolton, deputy editor of Tonight.

Over at the NUR they say they are still awaiting a response from Jones to their latest request for his explanation. All he has done so far is to give Sid Weighell a copy of the TGWU transport policy. "That does not satisfy us," the NUR assured me. "We want to make sure what happened at Didcot is not repeated. You can be sure we'll be asking Moss Evans."

Eastern magic

A swift rejoinder to my suggestion that more American bankers may start deserting the City comes from the Rainier National Bank. It says it has just celebrated ten years in the square mile—and has no thoughts of leaving it. "Many U.S. banks still think the City is the best place to conduct their business," says manager George L. Ellis.

Rainier is just about to move, but only to new premises in Moorgate; indeed, it will take over those being vacated by the United California Bank, which as I disclosed was lured by lower rates into bigger and more lavish quarters in WC2. But then, Rainier may be the least likely to "go West": except for London, all its 12 branches outside the U.S. are in the Far East.

Wynne's win

Economists often feel maligned when financiers and politicians say it is easy to throw out theories; one who tries to refute the "more words than deeds" accusation is Wynne Godley, the former Treasury adviser now at the Department of Applied Economics in Cambridge. Godley is perhaps best known for the often controversial and cassandra-like views in the publications of the Cambridge Economic Policy Group, which he edits. But this week, Godley has gone into print with a jubilant account of how he has made some real money—so real that it is in yen. He ends his contribution to the Vickers, da Costa survey on the British economy like this: "I should finally like to report that my speculation on the yen in combination with an investment in Japanese oil shares (reported in my note of last August) went like a bomb; I got out with a profit five times my stake money." There should be some high living in the Fens just now.

Flue view

If you are lacking a flue, David Tench is worried for you. Tench, a lawyer who chairs the Domestic Coal Consumers Council (DCCC), has just launched a nationwide survey to find out how many houses in the land have been built without a chimney. Intrigued to learn more, I questioned him on the purpose—the survey is being mounted with taxpayers' money. "Simple," he says. "The past five years have shown how dramatically energy costs can change. We think that it is a risky policy to build a house without a flue—houses last 70 years or more and we may all have to turn to solid fuels long before that. Britain should keep its options open."

Tench reckons that if you want to insert a chimney in an average house to-day, it will cost you upwards of £500. He also told me that the DCCC was created in 1946, when the coal industry was nationalised; but has not been too active until lately. "We think we are in a growth scene now," he says blithely.

Measured words

A French visitor whose weight has increased rather noticeably since he was last here in 1976, tells me that the Savile Row tailor who made a suit for him then and is making another one now displayed exemplary tact during a fitting last week. "You will see, sir," he said, "that on this occasion I have given you just a suggestion of waist at the back, but none at all in the front."

Observer

SOCIETY TO-DAY

The politics of crime and punishment

)W looks as if this will ther year for uninformed mations about "law and ." As my acquaintance in BI told me on the tele- from Washington yester- Hell, we always have that ction years. My sympa- buddy." Last night's in the Commons was aimed at the Ilford by-election on Thursday, the speeches and scare- that are likely to appear the next few months will be aimed at a general n of unknown date.

of this will probably be ited by the Conservatives. olls tell them that they relatively weak ground hey argue about inflation. x cuts they call for will t in part be delivered by aley. Their bid for the of potential owner- rs has been met by a counter-bid. On many issues the difference n them and the present ment is hardly discern-

e are just about three eft in which they might y find the tiniest piece und remaining on Mr. an's right: immigration, d order, and capital nent. It so happens that re the three issues that is say win votes for the atives. Over the past eks the first two have ought into the arena: if Tory politicians now king sympathetic noises e rope the foundation strategy for 1978 will for all to see. ouble with this strategy it contains a built-in on to stir up ill-feeling.

Most people probably believe that there has been a sharp rise in the crime rate, that football hooliganism is on the increase, and that unruly political demonstrations are commonplace. The demagogue's way of extracting a payoff from such beliefs is to feed them with dubious statistics and promise dire punishments for offenders. It sounds "tough," but as most politicians know, or should know, the truth about law and order is not quite so simple.

Let me say at once that I do not approach this matter from the point of view of a bleeding-heart liberal. People who regard criminals as victims and ignore the sufferings of the real victims are too far removed from reality to take seriously. If it could be demonstrated that in such-and-such an area a particular type of crime had increased and that this or that custodial sentence would reduce it, then we should certainly find the money for the new jails that would be needed and fill them.

Do not bother

The difficulty lies in finding such easy prescriptions. The number of indictable—relatively serious—offences recorded as known to the police rose again last year, after an apparent levelling-off in 1976. The grand total increased from some 1.5m. in 1969 to a probable 2.4m. or so last year (figures for England and Wales). But what does this mean? Some recent studies suggest that the amount of *actual* crime, as opposed to that reported to the police and recorded by them, is relatively so large that it might remain constant while the "recorded" figures go up every year. If a handbag is snatched and the police do nothing about it, the story gets around and it could be that two or three other people, the victims of similar incidents, do not bother to report.

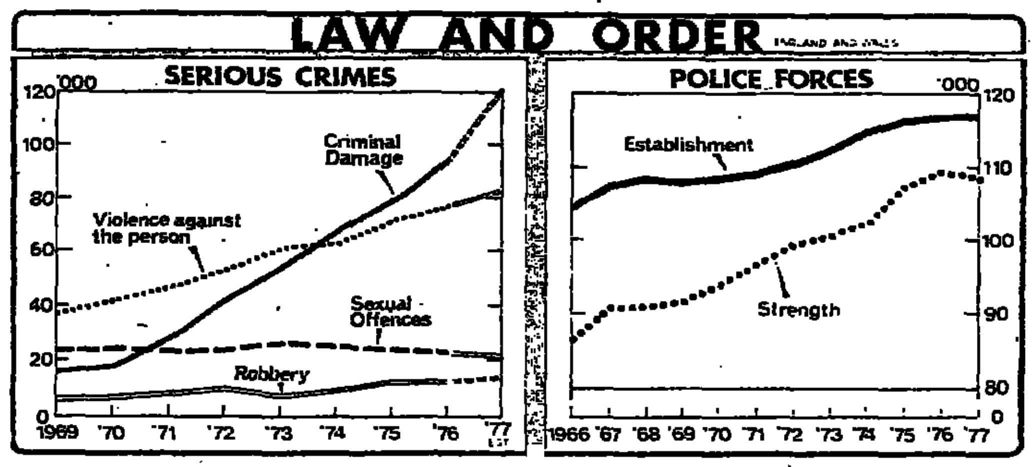
Two of the areas in which the tendency to report may be erratic—burglary, and theft and handling stolen goods—together make up more than three-quarters of all the indictable offences, and about two-thirds of the increase since 1969. As for robbery, the latest edition of the Home Office's "Criminal Statistics" comments on the "abnormally high figures being recorded in 1975 in certain police areas of robberies from schoolchildren by other schoolchildren."

Yet it would be foolish to ignore the crime statistics altogether. Their tendency to increase *has been reported for* more than 20 years now. The number of recorded offences per 100,000 population nearly quadrupled between 1957 and 1976. It may be that a significant proportion of this is accounted for by a greater propensity to report crimes in working-class communities, or more assuidity in police record-keeping, or the several changes in the law that have "created" new crimes, or a combination of all three: but even so, it seems *fair to* assume that the steady statistical increase, year after year, is indicative of *some* real change.

The question *is*, how much of this matters, and how much of it matters so much that we are prepared to do something about it? The number of murders—homicides—in England and Wales is still running at about 500 a year, with half the victims still related to, living with, or a lover of the murderer. We may bemoan this figure, but there seems to be no way of reducing it.

The FBI will tell you that it is much worse in the U.S. In 1976, when we recorded 493 homicides, they had higher figures in at least four of their cities alone than we had in the whole of England and Wales. New York led with 1,622; Chicago followed with 814; then Detroit, 663 and Los Angeles, 501. Their total for 1976 was 18,780 — some 86 per million of their population as against ten per million for us. Even *allowing for different* definitions and statistical methods, it is plain that any politician who tried to associate our condition with the American one as depicted on television would be using phrases — "violence" — "unsafe streets" — "mugging" — in a misleading manner.

This remains the position if one moves down the scale from murder to "violence against the person." It is true that according to the records the number of such offences, ranging from punch-ups to stabbings, has risen from 52,000 in 1972 to an estimated 80,000 or more last year. The records on this are likely to be less firm than they are for murders (by and large people tell the police when there has been a murder) but it must be assumed that there *has been a serious increase*.



Yet it would still be misleading to make political capital out of associating these figures with the TV image of violence in the U.S. In 1976 they recorded nearly half a million *aggravated* assaults, giving them a record of unpleasantness so much worse than ours that it is still reasonable to dissociate *our experience from theirs*. As for sex offences there has been a steady fall; the Home Office statisticians comment that "these reductions may in part be the result of changing attitudes in society so that fewer offences are reported."

The sharpest increase recorded—"criminal damage"—includes arson and damage that puts life in danger—but also a great deal of what is better called "vandalism." The chart shows how this has more than doubled, according to police records, since 1972, but the total number of recorded offences is still only one twenty-fourth of all offences known to the police.

It can be seen from this brief summary of the salient facts that there are parts of the "law and order" problem that may be soluble by a democratic Government, and parts that may remain intractable. It is theoretically possible to reduce the amount of housebreaking and street theft by putting more policemen on the beat, but *this is frankly a matter of* economics. Those who have been burgled will be understandably distressed: the rest of the community will calculate the cost of protection against such incidents.

One study in the U.S. showed that if you saturate the New York subway with policemen you drastically reduce the amount of theft on the subway. But in that case most of the criminals went to the buses—and the cost worked out at some $35,000 per deterred offence, as against an average taking by robbers on trains of $50. The recent Home Office working paper "*A review of Criminal Justice Policy 1976*," which recounts the case, also tells of some of the difficulties with other popular solutions. For example research in both this country and abroad over many years has failed to unearth evidence that longer sentences produce better results than shorter sentences.

On the other hand, well-publicised shock sentences can reduce a certain type of crime *for a certain period* as a number of judges have demonstrated. Where the difficulty lies is in finding hard *solutions for the increase in* crime committed by young people. By 1974 the number of boys aged 14 to 16 found guilty of or cautioned for *indictable* offences had risen to more than 8,000 per 100,000 population—eight times the figure for men aged 21 and over. It so happens that this figure fell slightly in 1975 and 1976 (the equivalent has fallen in the U.S.), but it remains uncomfortably high. Even if much of it represents mere hooliganism, or petty pinching from houses with doors or windows left open, it is clearly a social problem that cannot be left untackled.

According to the Deputy Leader of the Conservative Party, Mr. William Whitelaw, in the Commons yesterday, the Tory way of tackling it would be to reorganise juvenile courts, "uphold standards in our schools" and encourage voluntary organisations for boys and girls. Fine. But does this do anything for minority groups in city centres? Does it affect the laxer attitudes of modern parents of all classes? The Tories should produce an answer to the first question: no democratic politician can cope with the second.

I do not blame Mr. Whitelaw for failing to have impossible answers to such unfathomable social questions: the fault lies in giving the impression that the Conservatives have a monopoly of hard-nosed "solutions" to an easily quantifiable "law and order problem." The Home Secretary, Mr. Merlyn Rees, was floundering just as much yesterday: he suspected television (and so do I) but could not say what to do about it.

Both parties are awaiting the report of the current review of police pay, and it should be obvious that: (a) this should be increased: while (b) incentives to keep senior officers in the service should be increased by a particularly large amount. Labour has its rising Home Office budget to quote: Mr. Whitelaw calls for more rigorous sentencing but fails to calculate the cost of providing more jail space. On this one the last word must be with the Home Secretary: he did not believe the law and order *problem would be altered by a* change in government, he said yesterday. Nor would it.

Joe Rogaly

Letters to the Editor

price and

N. Bilitch.

ist so long as land may t and sold like bricks, etc., or any other man- duct, its price will be ed by the law of supply and. Where land is and fundamentally m all other objects of irements is that its fixed—both in quantity eographic location. If rding bricks, cement, etc. I run the risk that of these commodities rmine my "assets" by unlimited quantities products to satisfy con- mand. In the case of rding this risk is where the asset is debt competitors can only land as I do not own.

r words, alternative *to* mine are *limited* eality of geography; however unlimited, is nd everywhere con- by a *supply factor* older than mankind. viable solution to our or land is a policy *kes hoarding* land not le, and speculation for ually impossible.

ution to this age-old ous *problem is simple*, ld avoid the mis- nterference with bank hich Mr. Bradley (Feb- advocates. Stop tax- res, capital and con- tax land instead. Not t land, but all land.

ceases *to amaze* me s continue to put up s which discourage ving, production and t. then become quite If it is suggested that alves, more just and result would ensue—if taxed at its rental other taxes being reduced—or even abolishing restrictions lending will do little own the cost of land it would certainly the bank's problem as o do with its surplus there were to be providing loans for rchase, house prices ; after all, houses are n supermarkets—they y found on a piece

ject of land reform as by A. Gray and J. bruary 23) also point ble solution to the raised in John Cher- "Lombard" article eared in your paper nesday. A key to liberty and justice will und in the laws which society's attitude to e. We all need land; ss to it is often made ily difficult.

required is a policy es holding land expen- buying of it cheap.

ch.

ne Road.
W.15.

A. Hoare.

. Bradley (February ts that the Government tervene to reduce the credit made available urchase. He sees this o prevent a land price

oliticians are currently t a system *of assistance* buyers, whom they re unable to afford on their own.

the above schemes, very different in them- mply one common but the price of land; that unlike other *resources, it is almost* incapable of responding to increased demand by bringing forth increased supply.

The price of land will always be a problem, in fact the most fundamental problem in economics, until the effective monopoly of land ownership is broken.

This simple reform is needed; and the need for it cannot be removed or lessened by any scheme of "interference," however *clever* or *comprehensive it* may appear.

A. M. Hoare.
99, Bullbrook Drive, Bullbrook, Bracknell, Berkshire.

Actuaries disagree

From Mr. T. Layborn

Sir,—With reference to the letter from Mr. C. M. O'Brien (February 24) written in his capacity as president of the *Institute of* Actuaries, I really am bound to protest at part of it because he obviously did not read very carefully my letter to which he refers.

He states: "Mr. Layborn describes the Government Actuary's responsibility as 'awesome'." Had he, however, read my letter with the care *I think* it deserved, I merely repeated verbatim paragraph 58 of the 11th report of the Expenditure *Committee in which the offending* word "awesome" appeared. His quarrel should therefore be with that august body, the Expenditure Committee of the House of Commons, and not with myself.

I would however add, with emphasis, that I think it is quite wrong that such an important decision as the one in question should ever be left in the hands of one person. In this context it is worth noting *that in paragraph* 59 of the report, the Committee notes that the Government Actuary and its own adviser, another eminent actuary, disagreed about the level of adjustment which should be made to civil servants' salaries to reflect their more generous pension arrangements. I suggest this is conclusive proof that there is some validity in my suggestion.

T. A. E. Layborn.
5, Heath Rise, Kersfield Road, Putney Hill, S.W.15.

Pedestrian walkway

From Mr. B. Engert

Sir,—Despite the letter (February 24) from Mr. Garry May of British Airports Authority I can only say that I and many others, acting on information given by signs, walked from the booking hall of Heathrow Central underground *station to Terminal* 2 along a hard floored tunnel/footpath which was totally devoid of any walkway. Perhaps there are two ways from the Central station to Terminal 2 but this choice was not made clear to many passengers.

B. Engert,
Engert and Rolfe.
Barchester Street, E.14.

Capacity of airports

From the Vice-Chairman, Haslemere District Aircraft Disturbance Action Group.

Sir—I would suggest, with respect, that the figures given in the letter (February 21) from Mr. John Mulkern, managing director of British Airports Authority, need some qualification. The 1977 Gatwick figures quoted are 6.5m. passengers handled on 84,000 commercial flights. This suggests an average of 77 passengers per aircraft (that is not 87?).

The capacity of the Gatwick runway is 160,000 movements *per annum*. Allowing, however, that cargo movements are included in the 84,000 commercial flights for 1977, the annual report for 1976-77 shows that last year, of a total of 109,342 movements, there were 27,839 non-commercial flights—that is over one-quarter of movements were private, training and positioning flights, etc. This reduces the runway availability for commercial flights from 160,000 to approximately 120,000 movements per annum.

Mr. Mulkern suggests that an average passenger load growth of "little less than double what they are at present does not seem to be unreasonable"—to, say, 150 passengers per aircraft from 77 now? But the above (120,000 x 150) gives a figure of 18m. passengers to be handled, that is only 2m. more than the *16m. capacity of the* existing terminal. So is it really worth building a 9m. capacity terminal which will be restricted *by runway capacity to handle* 2m. passengers per annum, and, if so, how is it justified?

If, say, 10,000 cargo flights are *included in the 1977* commercial flights, this makes the average number of passengers carried on passenger flights of 87 *correct—but that, in turn,* leaves a runway capacity of only 110,000 movements per annum available for passenger flights, so the projected shortfall of passengers handled per annum by 1990 still stands.

In a letter to me, dated February 21, British Airports Authority says (referring to Heathrow) ". . . when major maintenance has been carried out on one or other of the main runways at that airport, we have operated with a single runway for periods of several weeks at a time . . ." The Government White Paper "Airports Policy," para. 91, states (referring to Gatwick) ". . . the British Airports Authority has already carried *out major repairs* and resurfacing of the runway at Gatwick without any interruption to services and there is no reason to suppose this cannot continue . . ."

But, on experience at Heathrow, perhaps there is very good reason why Gatwick cannot continue uninterrupted?

Robert Beveridge.
Little Swan Barn, Haslemere, Surrey.

Underground to Heathrow

From Mr. W. Watton.

Sir,—As a frequent traveller from Sydney to London, I read with interest your article "The Underground to Heathrow," (February 13) on the British Airways flight 225 from Amsterdam to London.

Being somewhat of an adventurous soul and bearing in mind the fuel crisis in London at the moment, I thought I could "give it a go" and try the railway link from Heathrow to Gloucester Road, particularly as I was *staying at an hotel 200 yards or so* from the station. My comments may be of some use to London Transport and to those travellers who have not yet experienced the new rail link from Heathrow.

First of all I was impressed by the fact that I could wheel my baggage comprising one suitcase, briefcase, airways bag and duty free bag all the way down to the ticket counter. When I reached the ticket collection point, however, I could no longer take my bags through but had to put them on a roller system and then carry them from there to the train. I should say, here, that the escalators were not working so that I had to carry the four pieces of baggage down a fairly narrow escalator.

The train ride in was, of course, fine and I can see the advantages for travellers who *arrive* about 7.30 a.m. and who do not want to get caught up in the peak hour traffic on the road into London.

On arrival at Gloucester Road station, however, I was confronted with a climb of two flights of stairs before I caught the lift to street level and then the 200 yards or so walk to the hotel. I am afraid I am not as young as I used to be and I found this last walk just a little too much.

May I suggest to make life a little simpler for the passengers, London Transport provides a *ramp from* the ticket check-in point to the platform level. That would at least make life a little easier. Perhaps, with a little bit of ingenuity, something can even be done with stations like Gloucester Road to allow passengers with baggage to reach street level without too much difficulty.

To sum up, in my opinion, the railway link between Heathrow Airport and stations on the Piccadilly line is good for the traveller with *one or two* pieces of baggage, but for long distance international travellers, taxis are still the best bet from the airport to the City.

W. Watton.
31 Suttie Road, Double Bay 2028, New South Wales, Australia.

Town at the end of a runway

From the Chairman, Campaign Against the Re-activation of Greenham Airbase.

Sir,—Your comments (Men and Matters, February 23) about the Greenham Airbase scandal are welcome, but the reasons for local anger are not confined to noise and property values.

The noise would, indeed, be *intolerable to most of the* 10,000 people living within two miles of the runway, especially the very young and the very old. On top of that, we now face the possibility of a catastrophic accident within our community.

As you point out, there are three other adequate bases that do not have a town at the end of the runway. But the plans to re-open Greenham should also be seen as a national scandal. The Ministry of Defence can be charged with gross deception; the U.S. Air Force has deviously delayed its request in order to limit the time available for protest: the Department of the Environment has so far shown no sign of interest.

Even the small minority of *people who support the re-opening* of Greenham agree that the authorities concerned deserve the most severe censure.

D. J. Smith.
Birchmead, Tydehams, Newbury, Berks.

Competition in accounting

From Mr. E. Wright

Sir,—Michael Lafferty (February 22) writes that sensible managing partners compile lists of possible future clients, and partners and staff are encouraged to use their best endeavours to bring in new business. He concludes that the business of running a big accounting firm is far more professional than it used to be. More commercial, perhaps. More *professional, certainly not.*

E. Kenneth Wright.
Old Orchard, Sevenoaks Road, Ightham, Sevenoaks, Kent.

To-day's Events

GENERAL

Two-day meeting of European Space Agency begins, Paris.

Institute of Directors' annual convention, Royal Albert Hall, S.W.7. Speakers include *Lord* Shawcross, Lord George-Brown, Mr. Enoch Powell MP, Mr. Michael Heseltine MP and Mr. Harry *Oppenheimer.*

Mr. Gordon Wilson MP, Scottish Nationalist Party leader, speaks on "Scotland and Europe" at lunch organised by London Europe Society, *Waldorf Hotel,* W.C.2.

Transport and General Workers' Union Midland representatives *end two-day investigation* into recommendation by union's Oxford district that two leading shop stewards at British Leyland's Cowley plant be suspended.

Second and final day of Financial Times conference on World Banking *in* 1978, *Grosvenor* House, W.1. Speakers include Professor Giovanni Magnifico, economic adviser, Banca d'Italia, Dr. D. F. Lomax, economic adviser, National Westminster Bank, and Lord Robbins, former Professor of Economics, London School of Economics.

Mr. Michael Foot, Lord President of the Council, addresses public meeting in Ilford North by-election campaign.

Institute of Building annual dinner, Guildhall, E.C.2.

Buildec '78 opens, Wembley Conference Centre (until March 2).

National Stamp Exhibition opens, New Horticultural Hall, S.W.1 *(until March 4).*

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of Housing (Financial Provisions) (Scotland) Bill and Civil Aviation Bill.

House of Lords: Refuse Disposal (Amenity) Bill, report stage. Second reading of Cheshire County *Council* Bill, *County of* Merseyside Bill, West Midlands County Council Bill, and West Yorkshire Bill. Resolution on the Crown Agents. Industrial and Provident Societies Bill, and Domestic Proceedings and Magistrates Court Bill, report stages. Debate on restoration and modernisation of Government buildings in and around Whitehall, and proposed new buildings on Westminster Hospital and other sites.

OFFICIAL STATISTICS

Bricks and cement production (January).

COMPANY RESULTS

Imperial Metal Industries (full year). National Westminster Bank (full year).

COMPANY MEETINGS

Berisford (S. and W.), Tower Hotel, E., 12. Manchester Ship Canal Co., Free Trade Hall, Manchester, 12

OPERA

Royal Opera production of Madame Butterfly, Covent Garden, W.C.2, 7.30 p.m.

English National Opera perform Tosca, Coliseum Theatre, W.C.2, 7.30 p.m.

COMPANY NEWS + COMMENT

Ransomes Sims profits ahead by £230,000

AS PROJECTED, taxable profits of machinery manufacturers Ransomes Sims and Jefferies improved in 1977 and finished ahead from £2.02m. to £2.25m. At the interim stage they showed little change at £1.02m.

Yearly earnings per £1 share are given at 30.1p compared with 30.5p and the dividend total is raised from 7.727p to 8.338p with a final payment of 6.038p net.

Sales of the grass machinery, harvesting machinery and truck divisions were well up on last year while the tillage division showed no real growth. Trading profit held up reasonably well at a time when works were still operating below capacity. Group profits were, however, adversely influenced by losses in marketing subsidiaries in France and South Africa, Mr. C. W. Bone, chairman, says.

He says that at the present time sales prospects for the majority of the company's products are encouraging, and he will be disappointed if results for the current year do not show a further improvement over those now reported.

A property revaluation has resulted in a surplus of £3.23m.

	1977 £000	1976 £000
Group sales	31,016	25,249
Profit before tax	2,253	2,017
Taxation*	604	346
Extraordinary credit	296	—
Attributable	1,935	1,671
Preference dividends	8	8
Supplementary 1976 final	4	—
Interim Ordinary	136	125
Final	729	291

* Assessed in accordance with ED19, comparative figures adjusted.

• comment

After a flat first half Ransomes, Sims and Jefferies' pre-tax profits rose 25 per cent. in the second half making a gain for the year of 11.7 per cent. This was despite combined losses of around £200,000 at its French and South African marketing subsidiaries. Demand for harvesting equipment (for potatoes and sugar beet) was strong last year as farmers spent the money they had earned from the high food prices charged after a very poor harvest in 1976. However, sales of tillage equipment, usually bought later in the year, were very flat as farmers became more cautious about prospects for the 1977 harvest. But the much better growing season last year did help the grass machinery division which sells largely to local authority and commercial operators. The group's electric truck also had a better year as conditions improved in the mechanical handling industry. However, demand for agricultural equipment is generally thought to be still declining from its peak year in 1974 and judging by recent reports from tractor suppliers the agricultural machinery industry could be facing difficult trading conditions in the current year. However, RSJ shares climbed 7p yesterday to 140p on the better than expected results. The shares yield 9.7 per cent. while the p/e is 4.6.

INDEX TO COMPANY HIGHLIGHTS

Campari to pay interim of 1.996p

IMPORTERS and distributors of leisure, camping and boating equipment, Campari is paying an interim dividend of 1.996p net per 20p share which is equal to the total for 1976-77 of 1.815p plus the maximum permitted 10 per cent.

And Mr. G. K. Benscher, the chairman "is pretty sure that more 'goodies' will be available for shareholders at the year end."

In the seven months to December 31, 1977 pre-tax profit rose from £723,035 to £812,866 on turnover of £7.88m. against £7.01m.

Mr. Benscher tells members that the group has been continuing its relentless pursuit to establish Campari as a major group in the leisure industry not only in the U.K. and the Common Market, but also in the rest of Western Europe.

The interim figures contain sizeable setting-up costs in Germany and Sweden where the directors see a very strong growing market for the group's products.

The forward order book is well ahead of last year. However, because of current uncertainty regarding restrictions of merchandise movement between the Orient and Europe, "we view the next few months with cautious optimism." Profits for the 1976-77 year came to a record £1.65m.

• comment

The goodies promised by leisure group Campari for the full year could take the form of a dividend boosting rights issue or less likely an acquisition. Meantime shareholders have to resign themselves to a flatter performance from the group, which could turn out pre-tax profits of £2m. for the year against £1.64m., an increase of just over a fifth compared with the previous year's jump of 84.5 per cent. Part of the problem lies in the fact that Campari has reached the end of a three year expansion programme in Holland, which so far has produced virtually all the overseas profits, and in the first half of the current year contributed around £200,000 of the pre-tax total. That market has turned sluggish as retailers control stocks during a time of slack consumer demand. Campari is now developing a subsidiary to penetrate the German market, while the newly created Swedish subsidiary could be contributing significant profits by the year end. In the U.K. the near eighth increase in turnover to around £5.5m. was mainly attributable to price increases rather than any significant upturn in volume suggesting that Campari was overhauled by sluggish consumer spending in home markets as well. And with 90 per cent. of its goods imported Campari is naturally watching E.E.C. quota limitations. At 100p the shares stand on a prospective p/e of 6.8 and yield 8.1 per cent., covered nearly eightfold.

Amey well ahead at six months

PRE-TAX profits of Amey Roadstone Corporation, a subsidiary of Consolidated Gold Fields, jumped from £8.07m. to £13.98m. for the six months to December 31, 1977, on turnover ahead to £128m. against £73.9m. Profit for the 1976/77 year was up by £4.5m. to £18.13m.

Results include, for the first time, figures relating to the construction materials businesses in the U.S. transferred on July 1, 1977, to Amey, by its holding company. Also during the period a further substantial American company, Hydro Conduit Corp. was acquired for $US45m. Turnover and pre-tax profit from these operations amounted to £32.02m. and £1.44m. respectively.

Directors state that prospects for the second half appear reasonable both at home and abroad, and they anticipate that the improved level of profits will be maintained.

In the U.K., there has been a small but perceptible increase in the volume of work available, the directors say, and this is reflected in the improved results of practically all of the company's activities.

Production facilities, however, remain underutilised. Overseas performance continues to be satisfactory, they add.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Charles Baynes	2.1	—	2	3.35	3
Campari int.	2	Apr. 7	0.99	—	1.82
Commercial Union	5.08	May 17	4.32	7.65	6.91
Robert M. Douglas int.	0.88	Apr. 19	0.80*	—	3.1*
Ransomes Sims	6.04	May 16	5.43	8.54	7.73

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Little change for Robt. Douglas

WITH TURNOVER cut from £37.37m. to £32.62m. pre-tax profits of Robert M. Douglas Holdings, civil engineering, building and contracting group, declined from £1.48m. to £1.45m. in the six months to September 30, 1977.

Mr. J. R. T. Douglas, chairman, says the figures reflect the effects of reduced U.K. Government expenditure on national infrastructure, and increasing competition in the Middle East, partly from Far Eastern countries. But it is anticipated that the current year will have a satisfactory outcome.

Profit for all last year was a record £3.2m. Halftime results include associate company results only to the extent of dividends received.

He says the value of the forward work load has also been affected adversely by the difficult economic circumstances. The companies in the specialist contracting division, however, have maintained the overall level of their activity.

The work being carried out by the companies in the construction division in the Middle East is proceeding well and should produce a worthwhile contribution when ultimately brought into account in accordance with normal policy.

Advantage has been taken of improved conditions in Australia and New Zealand and the formwork subsidiaries there have increased profit slightly. The formation of new joint companies in Saudi Arabia and Egypt is virtually complete and opportunities in these countries and elsewhere overseas are being pursued.

The result is subject to tax of £687,000 (£691,000) which leaves net profit at £765,000 (£785,000). Earnings per 25p share are shown at 9.5p (9.7p).

Profit was struck after depreciation of £753,000 (£643,000) and interest receivable of £254,000 (£333,000).

The interim dividend is lifted from an adjusted 0.8004p to 0.8805p net, and will absorb £74,794 after waivers. After adjustment for the one-for-four scrip issue last year's total payout was 3.0988p.

Standard Life lifts pension bonuses

One of the leading U.K. pension companies, Standard Life Assurance Company, has announced increased bonus rates for 1977 in respect of certain of its pension contracts.

On its money purchase schemes—Stanplan M and Stanplan M2—used for topping-up arrangements, the rate is lifted to £5.25 per cent. of the sum assured or accrued pension benefits plus attaching bonuses from £5 per cent. previously.

On pension arrangement Stanplan A, for executive pension schemes, the rate on annual premium contracts is also improved to £5.25 per cent. compound from £5 per cent. and on single premium policies the new rate is £4.75 per cent. against £4.50 per cent. previously.

The main pensions business of the company—group life and controlled funding schemes—have bonuses alloted every three years, the previous triennium ending on December 31, 1976. Then the company declared a bonus rate nearly double that of the previous declaration three years before. Standard Life declared record rates of bonus for 1977 on individual business last week.

Manganese Bronze up so far

PRE-TAX profit of Manganese Bronze Holdings rose from £0.92m. to £1.14m. for the six months to January 31 1978 on turnover ahead at £16m. against £14.94m. Profit for the 1976-77 year rose from £1.23m. to a record £2.63m.

The directors state that the second half may not produce the customary proportionate advance but, given stable conditions, results should be comparable to the latter half of last year.

The better result for the six months came mainly from a reduction in interest, from £0.41m. to £0.25m. directors say, and trading profit was hindered by industrial relations problems—disputes at two factories seem now to have been resolved, they add.

Demand and performance at all units was satisfactory, particularly in the sintered metals group of companies, and the results may be considered up to expectations, the directors say. But, a weakening demand can be detected in certain areas, they add.

Norton Villiers Triumph has not yet been able to report that the funds collected by the receivers and liquidators can be used to discharge its obligations to bankers. Until this repayment is achieved the directors say they cannot usefully reconsider the need to maintain all the provision made against the investment.

Directors say that extraordinary items, to be determined at the year-end, will include the amount of £288,120 being the dividend arrears on Norton Villiers Triumph C Preference shares, received on October 31 1977.

	Six months 1977-78 £000	1976-77 £000
Turnover	16,003	14,939
Depreciation	265	317
Leasing	56	43
Interest paid	249	410
Pre-tax profit	1,141	915
Tax	393	476
Net profit	548	439

ISSUE NEWS

L. Ryan to seek early relisting

The directors of L. Ryan Holdings will make an early application to the London Stock Exchange for a re-quotation of the group's Ordinary shares.

The Cardiff-based coal recovery, plant hire, engineering and transport group—a subsidiary of the Hodge Group—emerged from receivership on December 9, 1977.

As a result of this and of resolutions passed at the EGM on November 3, a number of developments have taken place.

The resignations became effective of seven directors: Mr. L. Ryan; Sir Richard Brooke, Sir William Crawshay, Mr. E. G. Evans, Mr. J. Ryan and Mr. S. E. Taylor.

Mr. G. M. Metcalf was appointed chairman, Mr. J. Bowen as managing director and Mr. G. Tomkins as technical director.

Mr. S. E. Taylor resigned as secretary and Mr. D. Wynne was appointed in his place.

The Welsh Development Agency (Holdings) has subscribed 8,200,000 Ordinary shares in the group at 6p per 5p share. The agency has also provided a medium-term loan of $308,000 and Mr. A. B. Powell of the W.D.A. has been appointed a director.

Mr. J. Bowen had subscribed for 200,000 Ordinary shares and Mr. G. Tomkins for 100,000 Ordinary shares at 6p per share in accordance with the resolution passed on November 3.

Interest warrants have been despatched to holders of 8½ per cent. Unsecured Loan Stock in payment of three years' arrears of interest to September 30, 1977.

It is hoped the group's accounts for the period to December 31, 1977, will be forwarded to members in March 1978. The annual meeting is convened for April.

MILBURY RIGHTS

Saint Piran's subsidiary Milbury, has announced a one-for-four rights issue to raise about £250,000. This will be spent on buying further prime sites to add to the land bank.

Saint Piran will be taking up its full entitlement to the new shares.

Production at Saint Piran's South Crofty mine is increasing and the directors yesterday announced that the profit forecast of £2m. for the year to March 31, 1978 would be comfortably exceeded.

Saint Piran's prospecting subsidiary in Cornwall has been given permission by the planning authorities to start mining investigations in the Wolfram mine at Castle-an-Dinas.

Midland Bank statistics

Statistics compiled by the Midland Bank show that the amount of "new money" raised by capital issues in the U.K. last year at £1.5bn. was higher than the figure for 1976 by £37m. Although the latest figure is only three-quarters of the 1975 peak of £1.99bn. the 1977 total is the second highest amount recorded.

However, the composition of the 1977 results show significant changes.

The amount of money raised by companies declined for the second year running. At £947.3m. companies raised £214m. less than in 1976 and £631.1m. below the 1975 peak.

Public bodies — the main element being local authorities—raised a record amount of new money in 1977. At £553.5m. the figure is more than a quarter over the previous peak in 1974 and £250.5m. up on the previous year.

The decrease in the amount of new money raised by companies in 1977 was not reflected in the actual number of issues. These figures remained similar. Last year there was 173 issues (including 130 rights) compared with 168 (130 rights) in 1976.

The most striking feature of the 1977 statistics is the rise in the amount of money raised by public bodies, particularly local authorities, which recorded a £226m. advance on the 1976 figures to push their proportion up to £512m.

Within that, the amount attributable to bond issues was slightly lower at £116m. against £135m. while the stock issues increased from £151m. to £396m.

The number of issues also reflected this change. At 227 bond issues were 17 fewer than in 1976 while the number of stock issues jumped from 4 to 27.

For the third successive year the largest stock issue was made by the GLC, which raised £49m last March with an issue of 13½ per cent. seven-year stock.

The Midland Bank Review takes the view that company issues are likely to get off to a slow start this year. The reasoning behind this forecast is that interest rates on short-term bank borrowing are standing at an abnormally low level in relation to the cost of borrowing from alternative sources.

However, as the overall need for external financing for fixed capital investment builds-up later in the year there could be a similar increase in the flow of issues.

Midland is aiming for a figure of £1.1bn.-£1.2bn. by companies for the year as a whole.

Issues from the public sector could register a sizeable increase in 1978 as the popularity of variable rate stocks increases. Issues from public bodies could exceed £600m. in 1978 according to Midland Bank.

Peak £0.39m. for Charles Baynes

Pre-tax profit of hacksaw blade makers Charles Baynes was lifted from £229,284 to a record £393,564 in the December 31, 1977 year. Turnover of £1.84m., against £1.34m., includes exports of £0.64m. compared with £0.42m. last time.

The directors are proposing a four-for-one scrip issue.

The full year result is subject to tax of £304,008 (£114,629), leaving net profit at £189,556 (£114,655). Earnings per 10p share are given at 26.92p (16.38p).

The final dividend of 2.1p against 2p takes the total to 3.35p net (3p).

RESULTS AND ACCOUNTS IN BRIEF

ASSOCIATED FISHERIES—Results for year to September 30, 1977, reported February 3 in full preliminary statement. Chairman's comments on prospects reported February 16. Group fixed assets £15.36m. (£17.25m.). Net current assets £12.77m. (£10.87m.). Compensation paid for loss of office in subsidiary £26,000. Meeting, Savoy Hotel, W.C., on March 16 at noon.

AUSTRALIAN AND INTERNATIONAL TRUST—Net revenue for six months to January 31, 1978, £100,930 (£78,740) after tax £88,273 (£71,350). Interim dividend 1p (nil and 2.7p final). Net asset value 106.7p (111.2p).

BOUGAINVILLE COPPER—Final dividend 4 Toea, payable May 4, making 8 Toea for 1977.

BURMA MINES—Gross income for 1977 £26,864 (£19,641). Net income £2,701 (£1,434) after tax credits £1,731 (£4,578). Earnings 0.02p (0.01p) per 17½p share. No dividend (same).

CARRINGTON INVESTMENTS—Net pre-tax profit £37,000 (£24,000) for six months to September 30, 1977. Tax £19,000 (£7,000). Net profit £18,000 (£17,000).

CITY AND FOREIGN INVESTMENT COMPANY—No dividend (same) for 1977. Revenue £12,129 (loss £4,548) after tax £364 (£2,765). Net asset value per 25p share 56p (73p).

CLAVERHOUSE INVESTMENT TRUST—Results for 1977, already reported. Value of investments in U.K. £10.14m. (£6.9m.), outside U.K. £237,071 (£461,980). Unlisted £168,640 (£109,520). Meeting, 5, Crosby Square, E.C., on March 7, at 12.30.

CORNELL DRESSES—Turnover £1.57m. (£1.52m.) for 1977. Pre-tax profit £23,101 (£28,028) including £12,669 from associate. Earnings 0.57p (0.45p) per 5p share after tax £6,029 (£14,386). No dividend (single interim 0.3p net).

COLONIAL SECURITIES TRUST COMPANY—Results for 1977 already known. Investments listed at market value U.K. £5.52m. (£4.09m.) and elsewhere £2.45m. (£3.23m.), and unlisted at directors' valuation £0.3m. (£0.81m.). Net current assets £0.55m. (£0.25m.). Meeting, 117, Old Broad Street, EC, March 15 at 12.15 p.m.

ESSEX WATER COMPANY—Pre-tax surplus for 1977, £2.25 (£2.68m.), balance carried forward £1.27m. (£1.40m.). Ever increasing costs, together with reduction in industrial water demand, make increase in charges inevitable from April 1, 1978. Provisions for Water Charges Equalisation Act become effective from April 1, and is expected company will receive £48,000 in 1978, for benefit of domestic consumers. Fixed assets £48.87m. (£44.73m.), net current assets £0.71m. (£2.58m.). Net capital expenditure during year £2.14m. raises historical total to £46.87m. Auditors unable to form opinion as to adequacy of transfer from revenue account to contingency fund for year, although company has transferred maximum permitted amount, nor of balance on contingency fund at year-end amounting to £2.6m. Meeting, Caxton Hall, S.W., March 21, at noon.

EQUITY CONSORT INVESTMENT TRUST—At January 31, 1978, net asset value per Ordinary £1 share 178p, and per deferred 50p share 157p.

F. AND C. EUROTRUST—Net revenue for six months to December 31, 1977, £15,300 (£22,100) after tax £14,200 (£12,100). Net asset value 80.4p (same) per 25p share. Gross revenue £112,400 (£87,400).

EWART NEW NORTHERN (property development)—Pre-tax loss half-year to October 31, 1977, £1,614 (profit £15,401 and £17,608 for year). Tax £1,457 (£1,700). Surplus on sale of property £23,371 (nil). Loss is less than expected at start of year. During second half heavier repair charges and increased wages are expected to lead to further loss.

FLEDGELING INVESTMENTS—Total income £204,361 (£256,902) for year to January 21, 1978. Deduct management expenses £9,798 (£10,213), debenture interest £31,250 (same), interest on overdraft £375 (£383) and tax £66,296 (£73,934). Net asset value per Ordinary share 74p (43p).

LANCASHIRE AND LONDON INVESTMENT TRUST—Net revenue for 1977 £76,091 (£67,661), after tax £42,514 (£40,554). Dividend 1.5p (1.5625p) net per 25p share.

LEDA INVESTMENT TRUST—Results for 1977 already known. Quoted investments at middle market value £5.66m. (£2.97m.) and unquoted at directors valuation £5,000 (£3,300). Liquidity increased by £0.52m. (£0.24m. decrease). Mr. Robin Brook, chairman, says it is difficult to be enthusiastic about outlook for 1978, but as far as U.K. is concerned he sees no ground for undue pessimism. Meeting 44, Bloomsbury Square, W.C., March 30 at 11 a.m.

MELDRUM INVESTMENT TRUST—Results for 1977 already reported. U.K. quoted investments at market valuation £11.92m. (£7.68m.). Unquoted at directors' valuation, fellow subsidiaries £38,545 (£35,677), other £45,800 (£100). The directors are reasonably optimistic and have entered 1978 fully invested and with a portfolio constructed to take advantage of freedom from dividend restraint when it occurs. The company is 75 per cent owned by British and Commonwealth Shipping Company. Meeting, 2, St. Mary Axe, E.C., on March 21, at 11.30.

NEW YORK AND GARTMORE INVESTMENT TRUST—Income from dividends and income for 1977 £173,878 (£196,338), profit £27,972 (£13,429) after tax £32,860 (£19,515). Earnings per 25p share 0.35p (0.17p) and dividend 0.4p (0.3p) net, absorbs £32,000 (£24,000). Total funds at market value, net of multi-currency loan and deferred tax, £2.91m. (£3.59m.). Net asset value per share 36.4p (44.9p).

RIGHTS AND ISSUES INVESTMENTS TRUST—Gross income £146,461 (£119,580) for 1977. Tax £37,239 (£34,849). Earnings per 25p income share 3.319p (2.121p) and 25p capital share 0.168p (0.106p). Net dividend on income shares 2.325p (1.9375p) and capital shares 0.11625p (0.096875p). Net asset value on income shares, 32.8p (16.21p) and 45p (26.6p) on capital shares.

SIDLAW INDUSTRIES—Results for year to September 30 and comments on current year reported January 14. Group fixed assets £11.05m. (£10.42m.). Net current assets £5.03m. (£4.92m.). Meeting, Dundee, March 10, noon.

STEWART AND WIGHT—Turnover £245,737 (£214,575) for half-year to September 25, 1977, and profit £10,987 (£14,164) after tax of £8,046 (£10,500). Interim dividend 7p (same) per share, payable April [illegible].

Room for colour rental growth

'H COLOUR television in 56 cent. of U.K. homes there is considerable scope for nda TV Rentals to grow as economy improves, Lord nstein, chairman of Granada up says in his statement.

nd in the not-too-distant re new markets are expected develop with the arrival of lucts such as Teletext, rdata, video tape recorders video discs. "Rental is the l way for such new items to h rapidly into homes, com-ce and industry and Granada ell placed to share fully in e developments," he says.

rd Bernstein says difficulties to be overcome in the year d on October 31, 1977, ing largely to high inflation, nployment and consequently ced consumer spending.

t record turnover of £82m. profits of £13.1m. (£10.29m.) achieved in the U.K. He the number of people rring to rent rather than buy ir television continues to and Granada's share of this et has increased.

the year the borrowings for purchase of Spectra Rentals repaid, and the integration pectra was completed.

anada TV Rentals Overseas has 27 showrooms in Canada 93 in Europe, and the ess is well established, he Profits climbed from £0.98m. 33m.

anada Group profits were a d £25.15m. (£18.15m.) for the

anada Television increased from £4.53m. to £6.32m., y owing to a rise in adver-revenue, which continues buoyant.

nada will be investing £3m. e next two years to intro- to its Manchester head-ers new technologies now in use in the U.S. for the production and transmission of television.

Bingo Social Clubs had a record year and cinema profits increased. Motorway operations had a hard trading year with a cut-price petrol war and the economy reducing motoring traffic and the spending of motor-way centre visitors.

Lord Bernstein says that the current rates of interest and improving demand for City office space has justified the principle adopted towards property valuations by the Board of the 67.74 per cent. owned Barranquilla Investments. A 1975 valuation showed a total figure of £47.42m. against a 1973 figure, included in accounts of £55.49m. The directors did not consider the lower value represented a permanent diminution in the value of the properties—totalling some 800,000 square feet of offices—and made no alteration to book values.

Granada Publishing had a good trading year and the insurance subsidiary, L'Etoile, saw an increase in premium income in all branches of its business.

Transatlantic Records was not profitable and was sold in the year. Record and tape operations for six months of 1977 produced a £215,000 loss and in all 1976 a £334,000 deficit. Accounts show a £300,000 loss on the disposal of a subsidiary.

Accounts show a drop in loans and finance advances from £40.06m. to £26.29m. and a decrease in accounts due to bankers from £21.87m. to £19.09m.

Contracted capital spending for the current year is shown at £6.38m. (£5.07m.), and authorised spending at £14.15m. (£11.63m.). Of the total, £15.8m. (£12.45m.) is for television sets.

Meeting, Golden Square, W, on March 22 at 12.30 p.m.

Commercial Union gets boost from U.S.

REFLECTING a reduction in the underwriting loss from £59.8m. to £20.9m., pre-tax profits of Commercial Union Assurance Company more than doubled from £47.3m. to a record £99.8m. for 1977. At the halfway stage the company was ahead from £17m. to £38.2m. and had climbed to £66.7m. at nine months compared with £28m.

In the U.S. a substantial underwriting profit was made in the last quarter producing a turnround from a loss of £26.8m. to a profit of £3.3m. for the year. All major classes contributed to this profit except workers' compensation, the experience of which, however, continues to improve.

On capital increased by last November's £73.8m. one-for-six rights issue, stated net earnings are up from 10.84p to 19.4p per 25p share and the dividend is stepped up to 7.645p (6.912p) with a 5.081p net final.

	1977 £m.	*1976 £m.
Premium income	1,072.5	1,162.9
Invest. income	127.7	123.9
Life profits	14.2	7.9
Underwriting loss	20.9	59.8
U.K.	1.7	6.8
U.S.	†3.3	26.8
Australia	†8.4	4.7
Canada	†0.1	†0.3
W. Europe	19.9	17.4
Rest	3.1	4.4
Loan interest	21.2	24.7
Pre-tax profit	99.8	47.3
Tax and minorities	32.2	13.2
Attributable	67.6	34.1

* Restated on company's deferred tax policy change. † Profit.

In the U.K. the underwriting result was arrived at after taking credit for some £3m. arising from the change made this year in the method of calculating unearned premium provisions. There was a deterioration in results during the fourth quarter due to poor fire experience and an increase in the incidence of motor claims.

Underwriting results in Australia were profitable but less so than at nine months. Conditions remain difficult because of severe competition, continuing inflation, although at a reduced level, and uncertainty created by adverse legislation in certain States.

The Canadian underwriting results show little change after provision for the estimated effect of the current regulations of the Anti-Inflation Board.

The poor result for Western Europe was largely due to underwriting losses in the Netherlands, where all rates, but particularly those for motor, have been seriously inadequate. Substantial rate increases applicable in 1978 have now been approved and these will help to improve underwriting results, although further increases will be needed.

World-wide non-life premium income was down by 7 per cent. but after allowing for changes in rates of exchange and the effect of the sale of the Austrian and German companies during 1977, there was a growth in premium income of some 6 per cent.

Investment income for 1977 was increased by the acquisition of Estates House Investment Trust and reduced to a greater extent by the sale of the Austrian and German companies. Moreover, changes in rates of exchange further reduced the sterling value of group investment income by some £10m. Without these factors, investment income would have shown an increase of 13 per cent., it is stated.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Rainw Engineering, Rosgill.

Finals:—T. F. and J. H. Bramne, Broadstone Investment Trust, First Scottish American Trust, Hong Kong and Shanghai Banking, Imperial Metal Industries, International Investment Trust, Metalrax, Mount Charlotte Investments, National Westminster Bank, Sedgwick Forbes, Waterford Glass, Woodhouse and Rixson.

FUTURE DATES

Interims:

Hampson Industries	Mar. 8

Finals:—

Bestwood	Mar. 10
Pawson (W. L.)	Mar. 8
Scottish Eastern Investment Trust	Mar. 6
Sharpe (W. N.)	Mar. 9

Moorside Trust

As already known pre-tax revenue of Moorside Trust rose from £643,687 to £754,221 for 1977 and Mr. Edward Davies, the chairman, says in his annual statement that the company will continue its efforts to improve on its performance during the current year.

The chairman believes that with a return of confidence in U.S. equities the company's loan portfolio will prove rewarding.

Net liquid funds decreased by £128,109 (£169,589).

Armour £154,000 profit in first half

UNDERLYING improvement trading position of Armour noted by Mr. C. R. ourne, the chairman in his ent with the 1976-77 its has continued and is ed in the figures for the ear to October 31, 1977.

over for the period led from £3.01m. to £3.63m. e-tax profits advanced from to £154,000. For all 1976- here was a loss of £43,000.

is interim report, the chair-ays that the confectionery ales helped by more stable al and production costs made good progress and a able increase in profits for R year is anticipated. The on interests have also an improved contribution is trend is expected to con-

policy of selling the group's ing properties has con satisfactorily and the pro- realised are approximately o written down book value. ough profits are now being d. the directors do not feel appropriate to declare an dividend. Consideration he payment of a final divi- will be given when the for the full year are

	Half year 1977 £000	1976 £000	Year 1976-77 £000
	3,631	3,009	5,602
fore tax	154	44	*43
f	—	—	3
rities	2	2	4
l. charges	—	45	850
ble	132	*6	*850

ures for the 1976 half year have djusted to conform with the ng policies adopted in the audited to April 30, 1977. * Loss

Lambourne tells members e reason for the group's ointing performance over st few years has arisen ily from its involvement in ty and in particular European property. The directors have decided to terminate these activities and out of extraordinary charges of £850,000 a total of £811,000 relates to these decisions.

As the European property companies have ceased trading, it is considered misleading to consolidate these activities into the group's accounts. Full provision has been made for all terminal losses and the investment in those companies has been written off. Claims have been made against Donaldsons and Donaldsons SA, the former managing agents of the Belgian subsidiaries arising out of their management of those subsidiaries and proceedings have been instituted against them.

The investment in the associated company, Armour Edgworth, has been written off and provision made in the accounts against advances made to that company. These advances which amounted to £1,011,000 at April 30, 1977, are guaranteed by Mr. P. V. G. Newton. Discussions are taking place regarding the settlement of this obligation.

The accounts for the year to April 30, 1977, reveal that confectionery contributed £4.48m. to turnover and £385,000 to profit; television rental, sale, and finance £1.08m. and a loss of £198,000; and property investment and development £40,000 and a loss of £85,000. Holding company management and interest charges absorbed £147,000.

The television rental, sale and finance loss is stated after charging exceptional items amounting to £221,000.

On April 14, 1977, the group re-negotiated its short-term loan from Slater, Walker as an interest free term loan repayable in monthly instalments over a period ending March 31, 1980.

BIDS AND DEALS

Friends Provident backs Regional Properties

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

Friends Provident Life Office has stepped in as an institutional backer of Regional Properties. Friends Provident has bought, or agreed to buy, 29.9 per cent. of Regional's voting shares, and it plans to subscribe for an £8m., 8½ per cent. convertible Mortgage Debenture Stock that would, on full conversion, give it around 38 per cent. of Regional's equity by 1981.

The life office has bought out the Danziger Family's 20.8 per cent. interest in Regional's voting shares and has taken its stake in the group's "A" Ordinary non-voting shares to 5.7 per cent. The insurer paid 100p a share for the voting shares and 70p for the "A" shares, 25p and 6½p above the stocks' respective market prices last night.

Agreement has been reached on the terms of an £8m. Debenture Stock that Friends Provident can convert into 8m. Ordinary shares between August 31, 1981 and August 31, 1987. On conversion of more than 50 per cent. of the stock, Regional has agreed to put proposals for the enfranchisement of its non-voting shares.

The Takeover-Panel has agreed that, providing shareholders' approval is given to the terms of the issue, Friends Provident would not, on conversion of the Debenture stock, be obliged to bid for the outstanding capital.

Regional shareholders will receive a circular containing details of the agreement within the next few weeks. At that time, the group, advised by Lazard Brothers, will call for an Extraordinary General Meeting to consider the proposals.

If shareholders agree to the debenture issue, Friends Provident has arranged to buy roughly half of non-executive director Mr. Peter King's voting shares in the group for 100p a share. That would take its stake to 29.9 per cent.

Regional's advisers commented last night that the issue "forges a link between Regional and a major institution and provides significant long term capital to enable Regional to continue its recovery and expand its business." Lazards also revealed that Regional has now reached agreement with Citibank to roll-over repayment of a £7.5m. loan, which was due in April this year, for a further three years.

NORTHERN ENGINEERING

Northern Engineering Industries has begun the rationalisation of its overseas companies following the acquisition late last year of International Combustion Holdings.

Yesterday, the shares of International Combustion Africa, in which ICH owns a fraction less than 50 per cent., were suspended on both the London and Johannesburg markets, pending a merger with Clarke Chapman Africa, a subsidiary of Northern.

The move marks the first stages of a re-organisation of the boiler-making and heavy engineering business in which both Clarke Chapman and International Combustion have competed in Africa.

There is only a narrow market in ICA's shares in London. The suspension price yesterday was 85p which compares with the most recent trading in mid-January at 44p.

NEW COMPANY FOR OIL EXPLORATION

Oil Exploration (Holdings) has set up a new subsidiary, Bates Production Company, to operate oil leases in the U.S. in which another subsidiary, Bates Oil Corporation, has a non-operating majority interest.

The oil leases, which are in Kansas, Oklahoma and Texas, were previously operated by Southern States Oil Company in which Bates Oil Corporation has an interest. All Southern States Oil administrative and field staff will now be employed by Bates Production and certain of its operating assets are also being handed over at a price of £271,000 ($528,000). The money has come from the Oil Exploration group's internal U.S. cash resources.

Mr. Robert E. Fox, managing director of Edinburgh-based Oil Exploration, and president of Bates Oil, said yesterday the setting up of a new operating subsidiary would help the group to improve production from its existing leases and would also provide a good base from which to expand its interests in North America.

Drake & Scull's S. African sale

Drake and Scull Holdings, the engineering group involved in a legal dispute with Tarmac over the sale of its subsidiary Holland Hannen & Cubitts, yesterday issued its annual accounts together with details of the sale of its interest in South African subsidiary Drake and Scull Africa (Proprietary).

The sale document seeks shareholders approval for the Board's decision to dispose of the 75 per cent. holding in Drake and Scull Africa, whose prinicpal activities comprise mechanical and electrical engineering in South Africa and neighbouring countries.

This sale excludes Drake and Gorham (Zambia) which has been transferred to the group's U.K. ownership.

Two directors of Drake and Scull Africa, Mr. Tony Harrison and Mr. Basil White are buying the 75 per cent. stake for a total consideration of £1.16m.

Explaining the group's decision to sell the holding, which contributed £464,000 to the group's operating profit and £322,000 to the share of profits of associated companies, Mr. Michael Abbott, chairman, said that there were a number of political and economic factors taken into account before reaching the decision.

"But the major reason," he stressed, "was your Board's real concern that South African Exchange Control regulations would become even more stringent in 1978-79 thus making it increasingly difficult to remit future profits from that company to the U.K.

"I considered that the opportunity of divesting the South African company for a consideration approximating to the current book value of the group's investment should not be lost. As a result we will completely eliminate our financial risk and commercial exposure in Southern Africa."

Funds would now be released for use as additional working capital or for any future acquisition.

The sale document shows that £343,643 of the consideration has already been received, while the accounts show that the net current assets of Drake and Scull Africa at October 31 were £950.000.

Commenting on the Tarmac payment row Mr. Abbott said in his review that the group "found it necessary to issue proceedings against Tarmac Limited in the absence of that company's payment of a further instalment due on September 1, 1977, for the purchase of Holland Hannen and Cubitts. Tarmac have indicated that they will be counter claiming for alleged breaches of certain warranties under the sale agreement but their counter claim has not yet been served."

"For the time being no alteration has been made to the provision of £1m. made in the 1976 audited accounts in respect of amounts receivable from the sale of Cubitts totalling £2.25m.," he added.

The accounts, which show pre-tax profits increased from £879,000 to £2.62m., have been qualified by Peat Marwick who refer to the uncertainties which prevent the amount receivable from the sale of Cubitts being ascertained.

The Auditors also say that the accounting policies do not comply in all respects with SSAP 9. "In particular only certain overseas subsidiaries recognise any profit attributable to the stage of completion of long term contracts. In our opinion the failure at present to comply fully with this accounting standard could have a material effect on the value of work in progress and hence the value of assets employed; it appears unlikely that there would be a significant effect on the results of this year."

Drake and Scull considered the possibility of restoring Ordinary dividend payment for the year in the form of a modest final dividend. "However it was decided to delay any dividend recommendation until our interim announcement for the current financial year when, in the absence of unforeseen circumstances, it is hoped that ordinary dividends may be resumed," said Mr. Abbott.

The AGM and EGM, to approve the sale of the Drake and Scull Africa holding, will be held on March 22, 1978.

BAINBRIDGE ENG.

Winn Industries has declared unconditional its offer for **Bainbridge Engineering**. Acceptances amount to 94.46 per cent. The offer remains open.

BIT PREF.

Black Diamonds Pensions' offer for the 3.675 per cent. Preference Stock of **British Investment Trust** has been accepted in respect of £1.677.599 nominal of Stock, representing 79.89 per cent. The offer has now closed.

G. M. WHILEY

In Saturday's summary of takeovers the bidder for **G. M. Whiley** was incorrectly given as Cazenove. This should have been **Associated Paper.**

Sogomana stake goes to friendly hands

BY JAMES BARTHOLOMEW

Two companies in the Walter Duncan Goodricke network, Jokai Tea and Longbourne Holdings, have each bought 5.1 per cent. of Sogomana, which is 42.8 per cent. owned by Harrisons and Crosfield group companies. But, contrary to some expectations, the purchase is entirely friendly.

First reactions to the purchase had included speculation that the Walter Duncan Goodricke group had joined Rothschild Investment Trust, McLeod Russel and Sipef S.A. as raiders on the Harrisons and Crosfield empire. This would have been very serious for H and C given the strength and cash flow of the WDG companies.

But on the contrary, the WDG companies only agreed to buy the shares after ascertaining that the Sogomana Board had no objections. And, far from objecting, Sogomana has invited a representative of the buyers to join the Board. WDG has described the purchase, which was from a group of institutions through stockbrokers W.I. Carr, as "a long-term investment."

The friendliness with H and C is not intended to go so far as to make the WDG companies "concert parties" with H and C. WDG took legal advice before buying the shares and believes the relationship will not be construed in that way.

This is particularly important as far as H and C in concerned. Sogomana is not considered a "concert party" with H and C as far as the Takeover Panel is concerned despite the 42.8 per cent. stake. But if H and C and WDG were considered to be acting in concert then the H and C holding in Sogomana would rise to over 50 per cent.

In these circumstances it is thought that the Panel would have to regard Sogomana as a concert party of H and C, and then H and C would probably have to make a bid for the biggest company in its empire, Harrisons Malaysian Estates.

H and C has just under 30 per cent. of HME but Sogomana's 14 per cent. stake would take it past that vital trigger level.

H and C has shown no sign of wanting to bid for HME at this stage and has been careful when increasing its interest in the company to stay below the 30 per cent. trigger level.

REED & SMITH

St. Regis Paper of the U.S. has completed the purchase of Reed and Smith Holdings, a U.K. manufacturer and processor of paper for the packaging industry.

The directors of St. Regis International, the St Regis Paper subsidiary through which the deal has been transacted, and Reed and Smith believe that merging the operation that primarily manufactures corrugated medium with the plants that convert it into packaging material will prove to be of a considerable advantage to the industry throughout the U.K.

JOHNSON-STEPHENS

Shareholders in Gloucester-based engineers Gordon Johnson-Stephens have received a letter from Mr. Ernest Harbottle, the company's chairman, advising them to take no action with regard to the takeover bid from Simon Engineering, which was announced last week. The terms of the offer are being considered by the GJS Board, together with financial advisers Charterhouse Japhet. And in the meantime shareholders are reminded that negotiations are also taking place with other potential bidders.

Dealings in the shares of GJS have been suspended at 18p since August 9, 1977, a level which places a value on the company of £1.18m. The terms of the Simon bid will be related to the net asset value of GJS at as March 31, 1978.

DCM PAYS £0.4M. FOR DECCO

Dunbee-Combex-Marx has paid £405,000 in cash for Decco, the DIY wholesaling subsidiary of Wall Paper Manufacturers, part of Reed International.

The acquisition was first announced in mid-January but it is now known that Decco's net assets on which the price was to be based, are at least £390,000. This figure does not include a "substantial surplus" said to have been thrown up on revaluation of two freehold properties.

DCM said yesterday that Decco, the largest specialised DIY and hardware self-service wholesaler in the U.K., with turnover of £8m. or so, will fit in well with DCM's own DIY interests which generate sales of £15m.

'REASONABLE OFFER' FOR JAMAICA SUGAR

The share price of Jamaica Sugar Estates jumped by 4½p to 14p yesterday on the news that a "reasonable offer" from the Jamaican Government had been made for the group's sugar assets and would be put before shareholders after the terms had been ratified by the Jamaican Cabinet.

The latest development follows over two years of negotiations between JSE and the National Sugar Company, the Government owned corporation.

A statement from JSE last October said that the company would cease its sugar and manufacturing activities unless negotiations for the sale of the assets were finalised by the end of that month. Yesterday's announcement reveals that the operations of the company "have been continued by, and at the expense of, the National Sugar Company since December last."

Government ratification of the terms has been promised by March 7. At the current Stock Market level, JSE is valued at over £450,000.

CRODA

London Oil Medina, a national distributor of edible oils and a subsidiary of Croda International, has agreed to acquire for cash the food distributive interests, excluding certain flours and sugar confectionery, and certain assets of W. Melhuish of Camberwell, a subsidiary of Ranks Hovis McDougall.

The acquisition will strengthen the market position of London Oil Medina in servicing the catering industry.

The transaction represents less than 5 per cent. of the assets of either group.

● NEWS ANALYSIS—REED PAPER

Hard road to recovery

FINANCIAL TIMES REPORTERS

Board of Reed Paper, ...ng to yesterday's state... confident that it has the ...ry management and finan... ...ngths to ensure a steady ... to profitability. But it ...hareholders that a return ...ptable profits will be ...nt on a recovery in the ...n economy and inter... ...l pulp prices, as well as ...rous management action.

...e statement presents a ...picture of the current ...l position of Reed Paper, ...adian public company ...s 99 per cent. owned by ...ternational of the U.K. ...dition to the forecast loss ...ations of $20m., share... funds have been further ...d by extraordinary losses ... $46.2m. These consist

... $21.1m. write down on ...es to be discontinued, ...g full provisions for costs.

...16.3m. provision against ... and certain deferred

... $10m. provision against ... operations which ...ment is attempting to ...nd—but which could still further hatchet work.

... result, shareholders' ...ave fallen from $199m. ...m. — or $97m. if the ...g goodwill is excluded. ...uity base is supporting ...ain of debt. Long term ...ness has fallen a little ...year to $141m., but bank ...ngs have all but doubled

... seems a long way from ...stantial improvements in ..." which the previous ...ecutive of Reed Paper ...ecting as recently as last

...ackground to this dis... ...performance starts with ...g heavy losses in ...e products, an area into Reed was expanding ...y during the early 1970s. Pre-interest losses here totalled $8.7m. in 1977. At the same time, the weakness in the international pulp and paper markets has knocked away Reed's main support — its forest products businesses, where profits slumped from $19m. to just over $3m. The rest of the damage is explained by a sharp jump in interest costs from $11m. to $15m.

Reed management has already taken some painful steps to restore its financial balance. In addition to the well publicised departure last year of former chief executive Mr. Robert Billingsley, the corporate office staff has been cut by 50 per cent. from the levels of January, 1977. Corporate overheads have been cut by more than $5m. at an annual rate, and Reed claims that tougher financial controls led to a net cash inflow from operations in the final quarter of 1977. Management authority has been decentralised and capital expenditures have been cut—to more than $10m. below the originally planned levels.

However, more far-reaching actions are going to be required if Reed is to cauterise its wounds. Reed National Drapery, a company which brings together Reed's Sanderson operation with its fabric interests, will be closed on April 5 unless a buyer can be found. And a further programme of divestments and closures has been approved at Board level.

Financial analysts in Toronto believe that any disposals in Canada will have to be accomplished on a piecemeal basis, and speculation has been rife in recent weeks about the likely outcome.

The largest single property, and one which has been a consistent money maker, is the newsprint mill in Quebec City, the old Anglo-Canadian Pulp and Paper Co. mill. In the opinion of the analysts this would be a desirable acquisition for any company but the question is who could afford it. Replacement value of such a mill, which produces about 340,000 tons of newsprint a year, would be about $300m. In the present market, however, a buyer might expect to be able to acquire it for between $120m. and $150m. According to some estimates Quebec performed well in 1977, and it is expected to produce further satisfactory results in the current year.

The most likely buyers would be Canadian owned newsprint producers already based in Quebec. American forest products companies are written off by outsiders as likely buyers because they are shying away from any new Canadian investments, especially in Quebec because of the political situation.

Reed's joint venture projects in British Columbia, might be more easy to sell. These include a 50 per cent. interest in Prince George Pulp and Paper and a 35 per cent. interest in Intercontinental Pulp.

Reed's share of earnings on the joint venture mills fell from $8.4m. to $6.3m. last year, and the final quarter brought in only $1m.

Another major property is a mill at Dryden, Ontario, that manufactures market kraft pulp, kraft converting and fine paper.

Falling pulp prices had what is described as "a major adverse impact" on the Dryden mill last year, and Reed says that the success of current attempts to improve productivity together with market improvements are "essential to the future of the Dryden operations."

Yesterday's statement stressed Reed's intention to strengthen its forest products businesses.

The measures which it will take to achieve this have yet to be revealed in detail. But it seems clear that if all goes well, Reed Paper is going to emerge as a much smaller, much less diversified business.

...ONEY MARKET

...ery large assistance

...of England Minimum ...g Rate of 6½ per cent. ... January 6, 1978)

...ll on the long tap 10¼ ... Exchequer 1995 stock ... major factor behind a ... of funds in the London ...arket yesterday. This ...gerated by unexpected ... balances carried over ...nks from Friday, a net ...ke-up of Treasury bills, ...ight rise in the note ... On the other ...ernment disbursements slightly exceeded revenue payments to the Exchequer.

The authorities gave more than enough assistance to the market, which helped to sooth sentiment, even though fixed period interest rates were slightly firmer, as a reflection of continued nervousness in some quarters. Seven-day money was very expensive in the interbank market, rising to 6½-6¾ per cent., compared with rates of around 5¾-6½ per cent. on Friday.

The Bank of England gave very large help by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills.

Discount houses paid up to 6 per cent. for secured day-to-day loans in places, but closing balances were taken at 4½-5½ per cent.

In the interbank market overnight loans opened at 6½-6¾ per cent., and touched 7-6¾ per cent., before closing at around 3 per cent.

Rates in the table below are nominal in some cases.

	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
	–	5-7	–	–	–	6¾	4½-6	–	–	–
	–	–	6⅞-6½	–	–	–	–	–	–	–
	–	6¼-6⅝	6⅛-6⅜	–	6⅝-6¾	6¾	5⅞-6⅛	–	–	–
	6½-6⅜	6 7/16-6⅞	6¼-6⅝	6¾-6¼	6⅝-6¾	6⅝	5¾-6	5⅞-5⅞	6¼-6¼	7
	6⅝-6½	6½-6¾	–	7-6⅝	6¾-7	–	6-6⅛	[illegible]	6⅜	7⅛
	[illegible]	6¾-7⅛	6¾-6⅞	7¼-6½	7⅛-7¼	7¼	6¼	[illegible]	[illegible]	7¼-7¼
	[illegible]	7½-7¾	7⅜-7⅝	7¼-6⅝	7⅞-8¼	–	–	–	[illegible]	7⅛
	[illegible]	7⅞-8⅛	–	8 7⅛	8½	–	–	–	–	–
	8⅞ 8	[illegible]	7⅞-8	8¼ 8	8¾	–	–	–	–	–
	–	–	9	–	–	–	–	–	–	–

...thorities and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate ...one years 10¼ per cent.; four years 10¾-10⅞ per cent.; five years 10⅞ per cent. ♦ Bank bill rates in table are ...for prime paper. Buying rates for four-month bank bills 6¾ per cent.; four-month trade bills 7½ per cent. ...ate selling rates for one-month Treasury bills 5¾-5 13/16 per cent.; two-month 5¾ per cent.; and three-month ...per cent. Approximate selling rate for one-month bank bills 5 15/16 per cent.; two-month 6¼ per cent.; and three ...6 15/32 per cent. One-month trade bills 6¾ per cent; two-month 7 per cent. and also three-month 7-7¼ per cent ...House Base Rates (published by the Finance Houses Association): 7 per cent.; from February 1, 1978. Clearing ...Rates (for small sums at seven days' notice): 3 per cent. Clearing Bank Rates for lending 6½ per cent. Treasury ...tender rates of discount 5.9733 per cent.

MINING NEWS

Uranium price boost to Rio Algom earnings

BY KENNETH MARSTON, MINING EDITOR

NET EARNINGS for 1977 of the Rio Tinto-Zinc group's 51 per cent.-owned Canadian subsidiary, Rio Algom, have advanced to $C42.8m. (£19.9m.), or 312 cents (145p) per share, from $C31.63m. in 1976. A major factor in this good performance has been the renegotiation of the company's uranium export contract prices, a "significant" proportion of which related to 1976 production.

Against the background of recession in the world steel industry, the group's Atlas Steels lifted profits. And marked improvements in operating efficiencies were achieved at the Tracy plant in Quebec where 1976 results had been depressed by a nine-week strike and weak markets. Higher sales and modest increases in profit margins were recorded at the Atlas Alloys service centres.

On the other hand, the Lornex copper-molybdenum operation in British Columbia suffered a fall in 1977 net profits to $C7.78m. from $C15.9m. in the previous year, the results being hit by low copper prices and an escalation in operating costs. Rio Algom were £16½ yesterday.

Continuing to dance to the tune of the U.S. dollar, the price of gold recovered at yesterday's morning fixing to $182.10 per ounce from the sharp reaction to $180.375 on Friday which had followed a rally in the U.S. currency. After yesterday's firmer start, however, gold eased to $180.80, but in the later dealings when the dollar began to lose ground again, the price hardened to close 75 cents higher on balance at $181.125. Meanwhile the bullion market awaits the outcome of to-morrow's International Monetary Fund gold auction.

In the gold share market, U.S. buying in the after-hours' business coupled with the strength of the investment currency premium enabled prices to recover from a slightly easier opening to close with modest overall gains. The Gold Mines index put on 1.0 to 158.3.

LOW ZINC PRICE HITS BRUNSWICK

The decline in international zinc prices last year has taken its toll of the profits at Brunswick Mining and Smelting Corporation, a unit of Noranda, the diversified Canadian group. Net income last year was $C2.4m. (£1.11m.), compared with $C7.5m. in 1976.

The position would have been worse had it not been for the higher prices received for silver and lead. The weaker Canadian dollar also gave a boost to earnings.

Gross revenue last year at $C137.7m. was in fact 34 per cent. higher than in 1976. Zinc concentrate production increased to 390,363 tons from 255,559 tons, but 1976 output was depressed by a three months' strike.

Since the end of the financial year, there has been little relief for Brunswick. There has been no improvement in the zinc market. The producers are again cutting their prices, the latest being Hudson Bay Mining and Smelting which yesterday announced a reduction of 1.5 cents to 31 cents a pound.

ROYALTIES FOR RENT-A-MINE

Canada's rent-a-mine organisation, Iron Bay Trust, is continuing a high level of distributions to its unit holders. A distribution of 13 cents (6.04p) per unit was planned for yesterday, following on the heels of a record pay-out of 51.43 cents per unit for the whole of 1977.

From Toronto, John Soganich reports that total distributions from 1969 to the end of 1977 were $C2.82 a unit. Last year the money paid out was $C1.3m. (£604,000).

Every year the Trust has been paying out more. It gains its income from royalties, at a rate which changes with the iron ore price, because of an 80 per cent. holding in the Griffith Mine, which is leased and operated by Steel Company of Canada.

CAMPBELL GIVES DETAILS OF QUEBEC LOAN

The Toronto group, Campbell Chibougamau Mines, has released details of the financial assistance it is to receive from the Quebec Government as part of a scheme to keep two copper-gold mines open. John Soganich reports from Toronto.

The agreement shows that 26 extra jobs will be provided and 160 others will be maintained. It is the fisrt of its type to be signed by the provincial Government with a mining company and follows three months of discussions.

The two mines involved are Henderson, for which Campbell is preparing an exploration and development programme, and Cedar Bay, which is to receive for exploration $C522,500 of the $C891,500 being made available by the Quebec Government. The balance of the funds is for equipment and the development of existing ore reserves.

Campbell will repay the loan at 5 per cent. interest from future cash flow at Cedar Bay. This mine will be kept open at least for 15 months and Henderson will be kept open at least until September provided monthly losses do not exceed $C100,000 for two consecutive months.

A RECOVERY AT FRANCANA OIL

Canada's Francana Oil and Gas, part of the Hudson Bay Mining and Smelting group which, in turn, comes under the auspices of Anglo American Corporation of South Africa, earned a net $C9.9m. (£4.6m.) last year. This compares with a re-stated loss of $C18.1m. in 1976.

The improvement reflects increased production and higher product prices. The 1976 loss resulted partly from the change in the Indonesian production sharing contract which required Francana's 37 per cent.-owned Trend Exploration to make a special payment to the Indonesian State-owned oil agency, Pertamina.

In addition, Francana's 1976 results suffered from a further charge against earnings resulting from a reassessment of reserves in Indonesia in the light of production experience and modifications to contracts.

Further growth for Bullough

THE OUTLOOK for engineering group Bullough is for further progress in the current year after the 42 per cent. pre-tax profit rise to £3.05m. in the October 31, 1977 year.

Mr. D. P. Jenks, chairman, says in his statement with accounts that some decrease in the profit of B and B Trailers is expected, owing to overstocking in the caravan trade. But this will be more than offset by other companies. Directors also look forward to a first contribution from Newman Granger.

Newman is concerned with the supply of jacks and other equipment to the vehicle and farm machinery industries, and Mr. Jenks says export activities appear capable of further development and there are opportunities for collaboration with a number of group companies.

In the year Beanstalk Shelving and Project Office Furniture produced record results with Beanstalk increasing exports to more than 30 per cent. of turnover, while Project was unable to keep pace with incoming orders.

A major extension of capacity has been approved to meet growing demand for office furniture, and about one third of this year's £2m. capital spending (£1m.) is earmarked for the Project expansion.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Chesebro' sees new record

NEW YORK, Feb. 27.

CHESEBROUGH-POND'S, which recently reported record earnings and sales for 1977, expects to have another record year in 1978, Mr. Ralph E. Ward, president and chief executive officer, told AP-Dow Jones. The diversified manufacturer of health and beauty aids and other products last week reported earnings of $60.1m. or $1.86 a share and increased its quarterly dividend.

Mr. Ward declined to make a specific earnings projection for this year, but said that first quarter earnings will top the $15.2m or 47 cents a share of the 1977 first quarter.

AMC less definite over plans for foreign link

BY JOHN WYLES

NEW YORK, Feb. 27.

AMERICAN MOTORS Corporation has retreated from cent statements that a broadly-based affiliation with a foreign auto manufacturer was likely to be agreed with the next few months.

At the end of a less than felicitous week for its public relations, AMC is still insisting that it is discussing a variety of possible arrangements with a number of foreign manufacturers, but is no longer standing firm on the prospect of an arrangement with a foreign company which would involve the manufacture and distribution of foreign cars by AMC.

Mr. Gerald Myers AMC's president, revealed that such an arrangement was in the offing in an interview published early last week by the Los Angeles Times. His remarks were confirmed by AMC spokesmen on Tuesday, who sought however to give the impression that the manufacturing end of such a relationship was much more of a distant possibility than Mr. Myer's remarks had suggested.

AMC officials were even more inscrutible at a week-end Press conference when Mr. Myers declined to offer a timetable for concluding any possible deal, although he said he hoped to make some agreement before the end of this year.

His earlier, and more definite statements had helped boost AMC's share price from $4.125 a share to a high of $5m. But the subsequent backtracking and general uncertainty surrounding any possible arrangement could again focus attention on the company's very serious problems, stemming from dwindling sales of its passenger cars

So far the only foreign manufacturer to have publicly confirmed that it is talking to AMC is Peugeot.

Siebens involved in bid talks

By Robert Gibbens

MONTREAL, Feb. 27.

APPROACHES have been made to the controlling shareholders of Siebens oil and gas, the major Canadian-based oil and gas development group, with a view to a takeover bid. Siebens' major shareholders are the Hudson's Bay Company and the Siebens family. The company is involved in oil and gas production in western Canada and exploration in the North Sea and the Middle East.

According to Mr. W. W. Siebens, president, no actual offer had been received.

The company, in the first quarter of the current year, spent nearly $C10m. on oil and gas exploration, up 73 per cent over the year earlier.

French supermarket chain tops earnings expectations

BY DAVID CURRY

PARIS, Feb. 27.

CARREFOUR, France's leading supermarket concern, surpassed expectations for both profit and turnover last year. As a result it will increase the dividend of the parent company by a quarter to Frs.50 per share, meaning a total payout of Frs.75 per share including the tax bonus.

The results of the parent company, covering about 25 stores, indicate turnover up to Frs.8.467bn. from Frs.7.132bn. The 1977 figures include four months' sales at a newly acquired store at Compiegne.

Operating profit was more substantially ahead at Frs.340m. against Frs.257.9m. with the new store contributing about Frs.6m. Net profits came out at Frs.164.4m. against Frs.131.5m. after amortisation of Frs.103m. against Frs.97.5m.

One feature of the results is a change in the company's treatment of the special tax on super and hypermarkets, designed to protect small retailers. For the first time it has introduced a provision for the amount which will be due on the 1978 results calculated from the 1977 turnover. This is of Frs.11.9m. This means that the 1977 results are actually carrying a double charge for this tax since it is also bearing the amount levied on the basis of a 1976 turnover.

Other provisions have little changed from the previous year though expectations of losses at the Austrian subsidiary have led to a Frs.10m. provision. Company tax is marked down at Frs.117m. against Frs.87.2m. and the provision for paid holidays is Frs.35.1m. against Frs.29.4m.

The company gave no figures indicating the role played by its non-branded "free products" in helping turnover but commented that the range of these goods would be increased this year.

Carrefour's results indicate that supermarkets have fared noticeably better than department stores over the crisis, though the company notes that its success in controlling costs has contributed to its relatively healthy performance.

* * *

Banque Rothschild has acquired the control of Cie Européenne de Banque (CEB), from Transamerica Corp. of the U.S. CEB specialises in medium and long-term financing of real estate operations. It has three subsidiaries.

CRISIS AT CHRYSLER

On the ropes but still fighting

BY JOHN WYLES IN NEW YORK

AS CHRYSLER ruefully reminded its stockholders last week, it is tough to be Number Three. Last year's volume sales of U.S. produced passenger cars were the second highest in history and enabled GM and Ford to return record sales and earnings. Yet Chrysler's sales declined from 1.3m. in 1976 to 1.2m., its market share tumbled from 15.1 per cent. to 13.4 per cent. and its net profits plummeted from $422.6m. to $163.2m. Still worse, the company made a net $49.7m. loss in the fourth quarter—which was a record three months for GM and Ford—and will make a loss in the first quarter of this year.

In the U.S., Chrysler faces a number of intimidating financial and marketing problems. In common with its two rivals the company has been put in a strait-jacket by the federal government's fuel consumption and emission regulations which, according to some estimates, will cost the industry $50bn. in research and development, retooling and new plant construction.

In its somewhat anxious statement to stockholders, Chrysler has in effect said that it must invest at double its recent annual rate in order to stay in the volume car game. Mr. John J. Riccardo, Chrysler's chairman, optimistically claimed at a Press conference that two-thirds of the $7.5bn. needed over the next five years would be financed out of cash flow. How this is to be done will be very much Mr. Riccardo's headache, since he also revealed last week that, on his prompting, Mr. Gwain Gillespie will be quitting as executive vice-president finance on April 30. His departure has nothing to do with current problems, said Mr. Riccardo, who is to assume direct control of all financial operations.

Containing costs will be a major problem. Expenditure involved with the construction and launch of its new four wheel drive small cars, the Omni and Horizon, were a factor in last year's fourth quarter loss, just as similar costs associated with the launch of a new light duty truck will contribute to the first quarter loss in 1978.

But it is also vitally important for the company to arrest its decline in market share, which was almost certainly accelerated towards the end of last year by its lack of new models to pitch against those of GM and Ford for the model year starting last October.

The introduction of the Omni and the Horizon was delayed until January. In the meantime Chrysler's existing intermediate and small cars, which represent the bulk of its output, fared poorly in comparison with new rival domestically produced models, and also with imports.

As a result the company has repeatedly been forced to shutdown some of its assembly plants in order to reduce stocks. This has added so considerably to the cost burden that Chrysler has had to draw down on its $750m. line of credit for the first time in two years.

Chrysler's fortune's this year now depend very considerably on the success of the Omni and the Horizon. Fortunately for the company, the small car segment of the U.S. market has so far escaped the sales decline which is hitting all manufacturers' intermediate and full sized cars. But at the same time this is a distinctly crowded sector of the market, which is populated not only with strong selling GM and Ford models but also with highly successful cars produced by Toyota, Datsun, Honda and Volkswagen.

> **The company's fortunes this year now depend very considerably on the success of the Omni and the Horizon, its new small cars. This is a distinctly crowded sector of the market, which is populated not only with strong selling GM and Ford models, but also with highly successful cars produced by Toyota, Datsun, Honda and Volkswagen**

Chrysler's survival is not yet ability to prosper with its current mix of domestic and overseas car and truck manufacturing is in doubt. Since the company requires $7.5bn. over the next five years to develop the technology and new models which are vitally needed to remain a major factor in the U.S. domestic car market, cash and management resources are going to be under tremendous pressure.

Chrysler's competitive problems in the U.S. have obvious implications for the company's overseas operations which, again in contrast to the experience of Ford and General Motors, had a very poor year in 1977.

The value of Chrysler's com- often been questioned. There mitment to South America has will be no shortage of recommendations to divest some operations there now that it has panies in Argentina, Brazil, Peru emerged that Chrysler's com- and Venezuela had combined losses, together with those in Australia, of $35m. compared to a $2m. deficit in 1976.

Total overseas operations returned a $91.3m. profit including an extraordinary gain of $46.2m. in 1976. But in 1977 a sharp fall in income from the subsidiary in France, coupled with the South American losses and the $17.6m. which was Chrysler's shares of the U.K. company's losses, brought an overall loss overseas of $32.6m. In the opinion of most analysts the company's capacity to finance continued losses overseas must be declining. Among other things, Chrysler U.K. must cease to be a drain on the company's purse over the next two years, or it will again become a suitable candidate for closure.

Not only must the company retain market share, and finance and develop a new generation of vehicles, but it must also win back its somewhat tarnished reputation for engineering excellence. The stockholders' statement acknowledged the pressure which meeting federal standards was putting on its engineering resources, but a strong effort is needed to avoid a repetition of some of the unfortunate publicity of the past few months.

Since the start of the year Chrysler has suffered the embarrassment of being the first manufacturer to be the subject of an Environmental Protection Agency allegation of perpetrating a design flaw in its motor-cars.

This allegation was upheld by an administrative law judge just a few weeks after Chrysler had issued its third recall notice in as many months, covering more than 1m. of its models. Each recall was to deal with potential hazards to safety of the vehicles.

"Chrysler is on the ropes, but is some way from a final count." was how one analyst summed up the company's position. Henceforth, the quality of Chrysler's footwork will be closely scrutinised in at least four continents.

Beatrice Foods cautious

CHICAGO, Feb. 27.

BEATRICE Food will report "another good year" for the fiscal year ending February 28, but estimates of $2.40 a share net income are "a little high" according to Mr. Wallace N. Rasmussen, chairman and chief executive officer. The food concern's sales will top $6.2bn. he said.

In fiscal 1977 Beatrice earned a restated $195m. or $2.15 a share on sales of $5.5bn. For the first nine months of fiscal 1978 ended November 30, Beatrice reported net income of $172.1m. or $1.89 a share
AP-DJ

Technicolor in Italy

Technicolor has reappraised the value of the assets of its 100 per cent. owned Italian subsidiary, reports AP-DJ from Los Angeles. As a result, it plans to charge earnings for the fiscal third quarter with at least $1.75, or 60 cents a share, to reflect a reduction in the value of the assets of the subsidiary. Total investment in the subsidiary was $3.8m..

Pillsbury-Cook talks

PILLSBURY CO. has terminated negotiations with Cook Industries Inc. regarding the purchase by Pillsbury for an estimated $50m. of substantially all of Cook's grain merchandising assets, reports Reuter from New York.

AP-DJ adds from Memphis: Cook said that it was in negotiations with others regarding the sale of these properties. It did not identify the others with whom it is negotiating.

Dutch SE rebukes companies

BY CHARLES BATCHELOR

AMSTERDAM, Feb. 27.

THE AMSTERDAM Stock Exchange Association has sent a strongly-worded reminder to publicly-quoted companies, to provide full information to the Exchange on any developments which might affect their share price.

The Association is particularly concerned about statements by directors to the workforce of a company. These are often not made available to the general public until they appear several weeks later in such as a company magazine. In the meantime a limited number of people has access to privileged information.

The exchange is also perturbed that its rule that, where possible, no statements likely to affect prices are made during trading hours is increasingly being broken. Information contained in company magazines frequently becomes known on the exchange during trading hours.

This happened recently in the case of several companies, including Philips Lamps, flour miller Meneba, foods group Nutricia, and the publisher Elseviers. The association was forced to suspend the shares of the shipping line, KNSM, for a time when information released during bourse hours led to hectic trading.

"The Boards of public companies must ask themselves whether information released internally is not also of interest for investors," the association declares.

"Delays in publication, because information contained in a company magazine which appears some time later, must not be allowed to mislead the investing public."

NMB outstrips major rivals

NEDERLANDSCHE Middenstandsbank (NMB) recorded a 26 per cent. growth in net profits in 1977, outstripping its two major rivals, Algemene Bank Nederland and Amsterdam-Rotterdam Bank.

NMB, which specialises in providing finance for small and medium-sized business, said net profits rose to Fls.98.2m. ($44.8m.) from Fls.77.9m. the year before. A narrowing of interest margins meant this improvement came from an increase in business activity. Algemene and Amro reported net profit gains of 14.4 per cent and 15.3 per cent. respectively.

The bank's balance sheet total rose 22 per cent. to Fls.27.3bn. Lending rose 29 per cent. to Fls.15.9bn. while borrowings rose 22 per cent. to Fls.25.7bn.

The bank did not, however, fully meet its half-way forecast that net profit growth in the second half would be about the same as in the first half. Growth of 29 per cent. slowed to 24 per cent. in the final six months. Profits per Fls.50 nominal share rose to Fls.25.76 from Fls.24.17, adjusted for the increase in capital.

NMB proposes a Fl.1 increase in its total dividend payment to Fls.11. The final dividend proposal is Fls.7 in cash following the Fls.4 interim dividend, which shareholders could also take as Fls.2.50 in shares from the share premium reserve. The bank also proposes a one-for-10 rights issue to meet the growing volume of business. Issued capital at the end of 1976 was Fls.147.3m.

Revenues increased 17 per cent. in 1977 while costs rose by 15 per cent. NMB paid Fls.13.8m. into reserves (Fls.35.6m. in 1976). The allocation for tax Fls.14.5m. compared with Fls.23.9m. NMB is 23 per cent. owned by the Dutch state.

Credit Lyonnais terms

BY FRANCIS GHILES

CREDIT LYONNAIS has won the mandate to raise $100m. credit for seven years on a split spread of ½ per cent. for three years rising to ⅝ per cent., for Gaz de France. This credit will serve as a back up line for the equivalent amount of commercial paper to be issued in New York.

The commitment fee is ⅜ per cent., unchanged from what has become the norm for leading French names such as Electricite de France, in recent months: this is crucial as the loan just announced has a good chance of never being drawn.

These terms do not indicate that spreads are still falling and in no way constitute a benchmark for the straight medium term market. Banks are putting up a stiff resistance and the terms for Gaz de France will not alter their resolve.

It would seem that the choice of raising a medium term loan rather than a bond is explained by the fact that the general elections due in France are less than two weeks away. Investors would not have been at all keen on French paper at this stage; and the present state of the dollar sector or the bond market would have precluded any major operation.

The French Treasury is also known to be susceptible to prestige: a spread of ½ per cent. was a prize worth going for even if it meant easing the brakes it has applied to foreign borrowing by state agencies in recent weeks.

Gaz de France last issued commercial paper in the U.S. in 1974. The current operation will raise Gaz de France's total volume of commercial paper in the U.S. to $200m.

This operation also marks a switch away from its main bank by the borrower. It appears that the Banque Nationale de Paris was unwilling to offer such fine terms. Few, if any U.S. banks are expected to participate in this operation and joint lead manager will be Commerzbank.

EUROBONDS

Market steady

By Our Own Correspondent

The bond market was steady yesterday although the Deutschemark sector, despite opening a little weakly picked up in the afternoon. Prices in this sector were a shade up on the day.

Terms were confirmed for two issues: the DM100m. seven-year offering for the Philippines will carry a 6¼ per cent. coupon. Lead manager is Dresdner Bank. The DM70m. for Tauernautobahn which Westdeutsche Landesbank is leading will have a 15-year maturity with a sinking fund reducing its average life to 10½ years. The coupon has been set at 5¾ per cent.

Meanwhile, the EIB issue was priced by the lead manager Deutsche Bank at 99¼. The amount of the issue had been increased by DM50m. to DM250m. and the coupon cut by a quarter of a point to 5½ per cent. last week.

The dollar sector was steady throughout the day in thin Monday trading.

AMERICAN QUARTERLIES

DART INDUSTRIES

Year	1977 $	1976 $
Revenue	1.6bn.	1.48bn.
Net profits	109.2m.	101.6m.
Net per share...	4.46	4.14

* Loss. † Unreported.

JOHNSON AND JOHNSON

Fourth Quarter	1977 $	1976 $
Revenue	712m.	639m.
Net profits	59m.	44m.
Net per share	0.97	0.76
Year		
Revenue		
Net profits		
Net per share...		

LITTON INDUSTRIES

Second Quarter	1978 $	1977 $
Revenue	946m.	853m.
Net profits	17m.	14m.
Net per share ...	0.42	0.35
Six Months		
Revenue	1.8bn.	1.6bn.
Net profits	33m.	27m.
Net per share ...	0.81	0.65

MCA INC.

Fourth Quarter	1977 $	1976 $
Revenue	269.4m.	228.4m.
Net profits	32.3m.	21.1m.
Net per share...	1.74	1.14
Year		
Revenue	877.6m.	802.9m.
Net profits	95.1m.	90.2m.
Net per share...	5.13	4.87

REVLON INC.

Fourth Quarter	1977 $	1976 $
Revenue	353.8m.	292.1m.
Net profits	28.5m.	24.0m.
Net per share...	0.93	0.79
Year		
Revenue	1.1bn.	955.6m.
Net profits	97.8m.	81.5m.
Net per share...	3.20	2.68

REXNORD

First Quarter	1978 $	1977 $
Revenue	189.9m.	167.8m.
Net profits	9.7m.	8.7m.
Net per share...	0.51	0.46

SHERWIN-WILLIAMS

Fourth Quarter	1977 $	1976 $
Revenue	247.1m.	211.4m.
Net profits	*15.9m.	*6.9m.
Net per share...	†	†
Year		
Revenue	1.04bn.	969.2m.
Net profits	*8.2m.	12.7m.
Net per shae...	†	2.11m.

STANLEY WORKS

Fourth Quarter	1977 $	1976 $
Revenue	166.1m.	156.3m.
Net profits	8.78m.	6.76m.
Net per share...	1.11	0.85
Year		
Revenue	640.2m.	566.3m.
Net profits	32.89m.	27.38m.
Net per share...	4.12	3.44

ZENITH RADIO

Fourth Quarter	1977 $	1976 $
Revenue	263.6m.	272.7m.
Net profits	*5.3m.	14.6m.
Net per share...	0.16	0.77
Year		
Revenue	965.6m.	947.4m.
Net profits	*4.7m.	41.4m.
Net per share...	0.40	2.20

INTERNATIONAL FINANCIAL AND COMPANY NEWS

SBC holds dividend on modest profits gain

BY JOHN WICKS

ZURICH, Feb. 27.

SS BANK Corporation of e (SBC) is to distribute an anged dividend of 10 per for the past year on its eased share and participation al, with similarly unaltered sfers of Sw.Frs.80m. to pub-d reserves and Sw.Frs.2.5m. aff welfare funds. Net profits his leading Swiss bank rose 5 per cent. in 1977 to rs.237.4m. ($126m.).

Basle to-day, managing ctor Walter Frey said it had a "thoroughly satisfactory " for the bank. The bank's assets expanded by a ter 5.6 per cent. last year to rs.55.71bn.

e increase resulted primarily a rise of nearly rs.2.25bn. in loans to clients, accounted for Sw.Frs. bn. of the balance sheet total, while the bank ors total declined by rs.679.97m. to Sw.Frs. bn. On the passive side, clients' funds increased ly by Sw.Frs.4bn. to rs.30.36bn. and those of bank tors dropped by Sw.Frs. n. to Sw.Frs.19.3bn.

for the profit and loss nt, interest earnings rose v.Frs.55.95m. to Frs.2.18bn., on foreign exchange and ous metals trading by s.13.82m. to Sw.Frs.174.84m. ncome from participations by Sw.Frs.10m. to Sw.Frs.32.5m.

There was a decline of Sw.Frs.23.69m to Sw.Frs.116 36m in income from Bills of Exchange and money market paper and of Sw.Frs.15.53m., to Sw Frs.173 29m. in that from securities. Commission earnings fell by Sw.Frs.3.17m. to Sw.Frs.376 74m.

With regard to gold trading, Frey said Swiss Banking Corporation retained a leading position in 1977, selling a substantial share of new Russian and S. African production and supply from monetary sources.

Credit Suisse payments

A TOTAL OF Sw.Frs.81.7m will now have to be paid by Credit Suisse for outstanding negative-interest commission on transactions connected with the bank's Chiasso Branch. Last year, it was disclosed that funds of the branch's clients totalling some Sw.Frs.2.17bn. had been channelled improperly to the Liechenstein company Texon-Finanzanstalt.

The level of negative-interest liability was calculated jointly by the Swiss National Bank and Credit Suisse. It is considerably higher than the sum of Sw.Frs.62.2m. originally quoted on the basis of Credit Suisse data after the National Bank had decided last November to call for the outstanding commission.

Credit Suisse said to-day immediately after the publication of the new figure by the Swiss National Bank that it will "investigate closely" the demand which is based on an alteration of the original calculation basis and comment on further measures at a Press conference on March 1.

Credit Suisse is being asked to pay the Sw Frs.81 7m into the National Bank. the sum to be charged to foreign creditors involved in the Chiasso affair. Negative interest is levied in Switzerland at the rate of 10 per cent. per quarter on new non-resident Swiss-franc deposits such as were made since October 31, 1974 in connection with the Chiasso-based transactions.

Part of the sum due for repayment by Credit Suisse to clients of the Chiasso branch had already been set aside by the Zurich head office to meet any fiscal or similar demands arising from the transactions.

The National Bank is not calling for the whole of the negative-interest commission at a rate of 10 per cent. per quarter but rather for a single instalment, it is understood.

Earnings recovery at Primrose

By Richard Rolfe

JOHANNESBURG, Feb. 27.

PRIMROSE Industrial, the chief South African brick producer, has reported a recovery in profits for the six months to end-December, but says in its latest statement that productive capacity is only 40 per cent. utilised. Turnover was down from R16.3m. ($18.5m.) in the comparable six months of 1976 to R14.3m., while pre-tax profits were down from R1.9m. to R0.6m. ($0.68m.) But the latest figures at least represent recovery from the R0.2m. achieved at the pre-tax level for the six months to June 30, the second half of Primrose's most recent financial year, which should prove to be the low point of the group's fortunes.

Tax charges continue at a low rate, with a total bill of R0.1m. In the latest period, including a deferred tax item. Net profit was R0.5m., or 4.6c per share, and an interim dividend of 3.5c has been paid, which compares with last year's 8c interim and 2.5c final. On dividend policy, the Board comments that with capital commitments covered by depreciation, which is expected to be low for the foreseeable future, and with no increase anticipated in working capital requirements, most of the profits earned should be passed on to shareholders.

At the same time, earnings are forecast to rise in the second six months if demand continues at present levels. Indications of improving profits, however, have to be offset against possible wage increases and a rise in the controlled price of electricity, although there has been a modest rise in the brick price. With some improvement in earnings in the second half, commentators envisage a final dividend of about 6c, which would put the shares at 86c. on a yield of 11 per cent.

JAPANESE NEWS

New peaks for Matsushita

BY DOUGLAS RAMSEY

TOKYO, Feb. 27.

MATSUSHITA Electric Industrial, makers of National and other brand consumer products, turned in the best sales and profits performance in its history to-day in announcing its consolidated results for fiscal 1977 which ended on November 20. The Y78bn. ($325m.) net income represents a 19 per cent. rise in yen terms and a gain of more than 45 per cent. in dollar terms.

Sales for the year rose 11 per cent. to Yen 1.89bn., indicating that Matsushita did better than the rest of Japan's electrical and electronic industry, which the Osaka-based company reckons grew by an average 8 per cent. in 1977.

The Matsushita group's report is above all characterised by three long-term trends which underscore the buoyant health of its operations

● EQUITY: for the first time ever, Matsushita has an equity ratio (including minority shareholdings) of over 50 per cent. The new figure of 52.1 per cent. is marginally up on the 49 per cent sum recorded in 1976 but Matsushita's equity ratio 10 years ago was closer to 30 per cent

● PROFITABILITY: The Matsushita Group's net profit ratio to sales has risen consistently in the past three years, going from 2.8 per cent. in fiscal 1975 to 3.8 per cent the following year and rising to 4.1 per cent to fiscal 1977 just ended. This performance, moreover, was achieved despite a levelling of sales growth during the second half of the year.

● EXCHANGE LOSSES: Foreign exchange losses for 1977 are estimated at Y15bn. or $62.5bn. at present rates, but Matsushita has managed to keep the bottom-line losses to a minimum. It has done so by offsetting the Yen's appreciation with local price hikes which, Matsushita says, may have averaged 5 per cent. in its overseas markets. A spokesman also reckons that a further 30 per cent. of the exchange losses were offset by reducing manufacturing costs or by drops in the prices Matsushita pays for its raw materials.

Sales in 1977 were at their all-time high despite adverse conditions defined by a Matsushita spokesman to-day as "slow domestic demand, overseas export restrictions, and the sharp rise in the value of the Japanese yen." The company's earnings in the last quarter of 1977 were at a record level but stood only six per cent. up on the year-ago figure, although 1977 as a whole showed 11 per cent. growth.

The outlook for the Matsushita group in the present fiscal year to next November, according to the company, is for consolidated sales to exceed Y.2,000bn. that is a 6 per cent. rise. A spokesman also said that the company hopes to maintain at least the present volume of exports and push net profits to over Y.80bn.

Eidai unit seeks debt agreement

KINKI PLYWOOD, a 75 per cent owned subsidiary of Eidai Company, has applied with Osaka District Court for composition proceeding with creditors under the corporate rehabilitation law, AD-DJ reports from Tokyo.

The company is estimated to have liabilities of Y3bn ($12.5m.), and has been posting losses since 1975.

Eidai Company, Japan's largest plywood maker, and three subsidiaries applied for corporate rehabilitation last week. The Eidai group liabilities were estimated at Y180bn., about the largest in Japanese post-war corporate history

Composition would allow a settlement of debts by agreement through partial payments of the sums due debtors, to avoid bankruptcy.

Setback for Komatsu

KOMATSU Limited, the manufacturer of construction machinery, has announced that its net profit in 1977 dropped by 21.8 per cent to Y14 40bn. ($U.S.60m.) from Y18 42bn. in the previous year.

Sales, however, rose 12.1 per cent. to Y353.42bn. ($1.48bn.) from Y315 37bn

Komatsu said that it expects after-tax profit for the year ending this December 31, to rise slightly, to Y15bn., from last year's Y14.40bn.

Sales are estimated at between Y370bn. and Y380bn., up from Y353 42bn in 1977

The improved outlook results mainly from the expectation of a rise in domestic sales following increased Government investment aimed at stimulating the economy, it said.

The dividend is unchanged at Y9.

* * *

BRIDGESTONE Tire Company's after-tax profit rose 8.7 per cent. to Y13.7bn ($57.3m.), in 1977, from Y12 6bn. in 1976.

Sales increased by 8.2 per cent. to Y353.8bn. ($1.48bn.), from Y327.1bn.

The dividend is unchanged at Y10.

Agencies

Tokai Seito applies for court protection

TOKAI SEITO Company, a medium-size sugar refiner based in Mie Prefecture, applied for court protection under the corporate rehabilitation law with the local District Court.

Tokai faced bankruptcy last July with an estimated Y6bn ($25m.) debts when the company asked the court to declare it bankrupt.

However, Tokai withdrew the application in an attempt to reconstruct itself after the Agriculture and Forestry Ministry adopted an imported crude sugar allocation system.

AP-DJ

Sharp gain at United Asbestos

By Wong Sulong

KUALA LUMPUR, Feb. 27.

UNITED ASBESTOS CEMENT (UAC), in which Turner and Newall of U.K. has an interest, has reported a substantial increase in profits, of 42 per cent., for the first half to December 31, of its financial year.

The company also announced plans to double its production capacity through a 19m. ringgit (U.S.$8.3m.) plan for a new pipe-making plant.

Net profit for the six months was 7.17m. ringgit (U.S.$3m.).

The company is paying an interim dividend of 7.5 per cent. on the existing 24.5m shares. The dividend will not be given on the 1.8m. shares, recently sold to Bumiputras (Malaya) interests, at a price of 1 8 ringgit each (compared to the market price of 2.3 ringgit).

The new pipe-making plant, to be sited close to the present factory near Ipoh, will be financed through a 17m ringgit loan and the capital acquired through the issue of 1.8m shares to Malays.

UAC signed the loan last Thursday with a consortium of banks led by Asean Bankers Malaysia Berhad.

The loan is repayable in seven years, with interest varying between 8.5 per cent and 9 per cent. under a formula agreed by the five consortium banks.

UAC chairman, Mr John Reid, said that the new plant will have a capacity of 25,000 tons of pipes a year, and he expected good demand for the company's products with the pick-up of activity during the second half of the third Malaysia plan.

General Bottling

A FINAL dividend of $HK60 cents (75 cents) was declared by General Bottling, writes Daniel Nelson from Hong Kong, making a total of 100 cents (75 cents) for the year to December 31, on an unaudited post-tax profit which rose from $HK11m in 1976 to $HK15.1m ($U.S.3.3m.)

Svenska Flakt early results close to target

Our Own Correspondent

STOCKHOLM, Feb. 27

AX profits of Svenska the Swedish industrial ation and air pollution l group, came out almost et at Kr.135m. ($US29.4m.) red with Kr.137m. in the us year, according to the inary report. The Gadelius subsidiary made a loss, but this was countered by improved profit in the industrial sector.

up sales during 1977 ted to Kr.2.7bn. compared r.2.2bn. ($US590m.). While rder intake rose from n. to Kr.3bn., orders from Sweden rose from n. to Kr.2.3bn. Total at the end of the year ed to Kr.2.9bn.

nt company sales during rose to Kr.1bn. from n. in the previous year. arent company's pre-tax amounted to Kr.90m., up r 72m. The Board recom-an unchanged dividend of per share.

ASEA output to fall

BY JOHN WALKER

STOCKHOLM, Feb. 27.

BUSINESS prospects are not expected to be to bright in 1978 according to the annual report of ASEA, the Swedish heavy electrical engineering and nuclear power group.

Industrial output and investment in Sweden are expected to drop. Even if decisions concerning the Swedish energy policy are taken which will have a positive influence on the group's progress no significant upturn in order bookings is expected to occur immediately. In view of the absence of any invoicing of nuclear power plants, ASEA group sales are unlikely to match the Kr.9.7bn. of 1977.

Orders at the end of the year amounted to Kr.14.4bn. Group operating profits before depreciation amounted to Kr 418m. last year compared with Kr.623m. in 1976. The dividend is held Kr.5 per share.

Svenska Handelsbanken

Svenska Handelsbanken reports operating profits for 1977 higher by 7 per cent. to Kr.582m. with earnings per share rising to Kr.54 compared with Kr.50 in 1976.

Deposits increased by 11 per cent., which is somewhat above the average, the bank states. Deposits from the domestic housing sector rose more slowly than in previous years. Deposits by companies rose by 17 per cent.

Of the total credits at the year's end those to the business sector accounted for 52.4 per cent., while domestic credits including housing amounted to 41.3 per cent.

The final balance for 1977 rose by 15.8 per cent. to Kr.40.5bn. in line with the average for the other commercial banks. Credits increased by nearly 21 per cent. but the increase could not be financed by deposits only. Half of the increase in lending—about Kr.2bn.—consists of credits in foreign currencies which were refinanced abroad.

The Board recommends a dividend of Kr.16 per share. Last year the dividend amounted to Kr.17.50 per share, which after allowance for the bonus issue was equivalent to Kr.15.31 per share.

Assicurazioni capital increase

ard of Italia Assicurazioni roposes to increase its ed capital to L6bn. from

The operation, in part id in part on payment, e approved by share-assembly next April 18. Board of the Italian insur-company, controlled by ison SPA, made public 0,000 new shares will be free to shareholders on -for-five basis. Another 600,000 new shares will ed in option—again on a r-five basis—at a cost of

urazioni said the capital e is needed to keep up growing investments y the Italian company ed a 50 per cent. interest inion Insurance Company U K. The operation cost azioni about L3bn., equal urrent registered capital.

Jones

Industrie Buitoni formula

BY DOMINICK J. COYLE

ROME, Feb. 27.

A COMPROMISE settlement formula has been found for Industrie Buitoni Perugina, Italy's largest privately-owned food and confectionery concern, which had had sought to lay off some one-fifth of its 6,800 workforce in the face of mounting financial difficulties stemming from reduced domestic demand. Buitoni's annual sales are currently running at some $580m.

The formula, worked out in protracted talks involving directly the Italian Minister for Industry, Mr. Carlo Donat-Cattin, provides for a nominal withdrawal of dismissal notices, and of plans to close down the groups Aprilia plant. However, more than one thousand employees are to be transferred to the State-subsidised wages system, in exchange for a company undertaking to devise a plan within four months for the financial and operational reconstruction of the group.

The outline of such proposals which the company has an undertaking to provide to the trade unions by June 30, is likely to be close to the group's original demand that some $19.5m in savings would have to be affected in order to return the company to reasonable prospects of profitability.

The unions, however, have secured an undertaking that Buitoni Perugina will seek to re-employ within eighteen months those workers who are to be transferred to the social security system, although in the formal agreement between the company and the unions, this is more an expression of best intentions than a firm commitment.

NCIAL MARKET TRENDS

OECD sees lower DM yields

MARY CAMPBELL

PRESENT dichotomy the inauspicious condi- the dollar sector of the tional bond market and oming conditions in the sector is likely to con- he OECD says in the ssue of its publication al Market Trends which five times a year.

comment which was before the latest fall in long-term interest rates, l nonetheless surprise a market participants, the says that "the differen-etween the return on securities and Euro-DM ields at present barely lifferentials in inflation n the two countries"

e time of writing the rate on Euro-D-mark issues by top quality rs was 5½-¾ per cent.; the such issues in the Euro-ond market was 8½ per The comparable rates for ranes and Yen were 4 per and 6.7 per cent. vely.

its bearish outlook for tional bond issues nated in dollars, the predicts $6-7bn. worth of robond issues in the first this year, down from in the equivalent period year

he same time it doubts r recent strong expansion ues by foreigners on ic bond markets will con- In the first six weeks of ar these were running at ual rate of $17½bn. more t any time since 1978. then the Yankee bond (the market for issues by ers in New York) has turn for the worse since ually accounts for about total foreign bond issues. r performance in this sector will drag down the overall total.

The OECD is therefore predicting foreign bond issues at an annual rate of "perhaps $14-15bn." in the first half of this year, down from the $18bn. level recorded in the past two months.

A particularly interesting feature of the bond market recently, the OECD says, was the confirmation that a number of less developed countries (LDCs) "have now established themselves as regular borrowers on the major international bond markets and are in a position to raise sizeable amounts ($3½bn. in early 1978 at an annual rate) at comparitively attractive terms."

The fall in new issue possibilities in the international bond markets is one factor cited by the OECD as likely to lead to an expansion of medium term lending by commercial banks this year. Other factors will include an increase in LDCs current account deficits this year—projected to rise by $10bn. to $33½bn. compared with 1977, partially under the impact of protectionist measures among OECD countries.

Two further factors behind the expected increase in gross lending arise from the current liquid state of the international banking system: According to the OECD the current "borrowers' market" will continue to lead borrowers to refinance older loans—now coming out of the grace periods when no repayments are due—at lower interest rates and for longer maturities. Finally the OECD says, if market conditions remain favourable "it will be tempting for creditworthy borrowers to continue 'precautionary' borrowing by arranging credit facilities on which they will be able to count when the market swings back to a lenders' market."

The scope for a consolidation of short term debt will also be cited as a factor pushing up gross lending—this arises from the bunching of maturities for a number of countries in the early 1980s.

The OECD does not expect any contraction of lending capacity—if only because the converse falling investment in bonds is increased deposits with international banks. On the contrary, it expects spreads if anything to fall slightly further though "substantial downward adjustments will be conceded only on a selective basis" It also expects fees to be shaved and the spread structure to narrow with the spreads payable by lower quality borrowers creeping down towards those paid by higher quality borrowers

In addition, it expects maturities to be further stretched, though not to the levels reached in 1973-74. Maturities, it says, are likely to lengthen in coming months to 8-8½ years on average, from 6-8 years last year. In contrast to some banks, it cautiously welcomes this development which it says, "may prove beneficial to the lenders themselves in the longer run as it would contribute to lessening the time pressures on borrowers and improve their ability to service existing debt."

The current issue of Financial Market Trends contains a special feature on medium term credits.

Financial Market Trends, available from OECD, 2 rue Andre-Pascal 75775 Paris France, or from HMSO.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

INTERNATIONAL COMPANIES

AUSTRALIAN NEWS

Boral profits growth

BY JAMES FORTH SYDNEY, Feb. 27.

BORAL, the major building products group, scored a 36 per cent. increase in group earnings in the December half-year in spite of intense competition and severe price cutting in some areas. Profits rose by 35.9 per cent. from $A7.68m. to $A10.44m. ($U.S.11.8m.) and are in line with forecasts at the last annual meeting that the current year should see continued growth in sales and profits.

The profit increase outpaces the growth in sales of 11.8 per cent., from $A129m. to $A144m. ($U.S.162.4m.). The directors say that the improvement came from the group's continual programme of technical improvement and close control of costs.

During the half-year, several major capital projects were undertaken, including new clay brick facilities in Queensland and Victoria, a quarry crushing plant, near Canberra and a hot mix asphalt plant in New South Wales.

The directors said the current half year had opened well and that results for the full year were expected to be satisfactory. The interim dividend is held at 6.25 cents, in line with last year's total payout of 12.5c. It is payable on capital increased last year by a one-for-five scrip issue, and thus represents an effective increase of 20 per cent.

Commenting upon the group performance, the Board said that lower rural sales of the Cyclone steel and wire products were offset by increased exports and higher sales to the home improvement market. Sales of clay bricks were virtually static, reflecting reduced levels of housing construction in Victoria and Queensland, but sales of the concrete, gas and quarrying divisions all improved.

Vickers financing

BY OUR OWN CORRESPONDENT SYDNEY, Feb. 27.

VICKERS AUSTRALIA, the heavy machinery manufacturer, has announced broadly unchanged profits of $A2.7m. ($U.S. 3m.) for the year to December 31, but still plans to seek $A2.5m. from shareholders through a rights issue.

The stagnant earnings picture for 1977, halts the growth pattern of at least the past four years, during which profit increased from $A220,000 to a record last year of $A2.7m. The main trouble for the group came in the second half of 1977, when earnings dipped 8.5 per cent., from $A1.6m. to $A1.5m., compared with an 11.9 per cent. increase from $A1.1m. to $A1.2m. in the first half.

However, the result is better than was expected at the halfway mark, when the directors said it was "doubtful" whether the full year's result would match the 1976 record.

The dividend is held at 15 cents a share, paid on capital increased last year by a one-for-ten scrip issue. After adjusting for the issue, the earnings per share was 37c., compared with 38c. in 1976.

Giving an indication of better things to come, the directors said that orders received were about 24 per cent. up on 1976. The position was aggravated by substantial direct losses due to last year's power strike in Victoria. Some of this lost production would come into 1978. In the circumstances, the Board regarded the result as satisfactory.

The new issue will be on the basis of one new share for every four held at an issue price of $A1.40 a share. Based on to-day's market close of $A1.90, the theoretical value of the rights is around 40c.

Note issue by CBC

BY OUR OWN CORRESPONDENT SYDNEY, Feb. 27.

THE COMMERCIAL Banking Company of Sydney plans to raise $A25m. (U.S.$28.5m.) through a convertible note issue—the first major trading bank to use this type of security.

The CBC is the only major trading bank which has not made an equity issue in recent years to improve its capital base for gearing purposes.

The bank has been hampered by heavy losses from property suffered by its finance company subsidiary, Commerical and General Acceptance, which has depressed the market price of CBC shares, and thus reduced the scope for an equity issue.

Reports that the bank was considering a convertible issue had been circulating recently, but there was doubt whether this would enable the bank to improve its gearing. Convertible securities do not come into shareholders' funds in a company's accounts, but are treated as debts and thus liabilities. Most analysts count convertibles as debt, particularly if the conversion price is well above the market price.

In the case of the CBC the conversion price is $A2.25, almost 33 per cent. above the current market price of $A1.71.

However, the CBC directors have stated that the funds raised by the convertible issue will add to the bank's capital base and will provide for further expansion of its business.

Presumably, the approval of the Reserve Bank was needed before the CBC could treat the notes as equity for the purposes of its capital base. An important factor in this approval would be the condition that the notes are subordinated, to rank after the deposits of the trading bank, but ahead of the CBC shareholders.

The notes will be offered on the basis of 100 notes for every 400 shares held at an issue price of $A2.25 a note. They will convert on June 30, 1988 on the basis of one-for-one. The notes carry an interest rate of 10 per cent.

The issue had been underwritten by two sharebroking firms, J. B. Were and Son and Meares and Philips.

The entitlements to the notes issue will be non-renounceable. The notes are convertible from December 1979, at two yearly intervals. Application will be made for the notes to be listed on Australian stock exchanges.

The response to the issue will be an important pointer to investors' view of the CBC's future recovery prospects.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8½pc 1989	95½	96¼
AMEV 8pc 1987	93¾	96¼
Australia 8½pc 1992	94½	95¼
Austrin. M. & S. 9½pc 1992	97½	98¼
Barclays Bank 8½pc 1992	96½	97
Bowater 9½pc 1992	96¾	97½
Can. N. Railway 8¾pc 1986	96½	97
Credit National 8¾pc 1986	97½	98
Denmark 8½pc 1984	99½	100
ECS 9pc 1995	98½	99
ECS 8¾pc 1997	95½	96¼
EIB 8¾pc 1992	97½	98¼
EMI 9½pc 1989	97½	98½
Ericsson 8½pc 1989	95½	96¼
Esso 8pc 1986 Nov.	100½	101
Gt. Lakes Paper 8½pc 1984	98¾	99½
Hamersley 9½pc 1992	100	100½
Hydro-Quebec 9pc 1992	95½	96
ICI 8½pc 1987	96	96½
ISE Canada 9½pc 1986	102½	103½
Macmillan Bloedel 9pc '92	96½	97
Massey Ferguson 9¼pc 1991	95	96
Michelin 9½pc 1988	101½	102
Midland Int. Fin. 8½pc 1992	96¾	97½
Natnl. Coal Board 8pc 1987	94	94½
Natnl. Wstmnstr. 9pc 1986	101½	102½
Newfoundland 9pc 1989	99	99½
Norges Kom. Bk. 8½pc 1992	95½	96
Norpipe 8½pc 1989	95½	96
Norsk Hydro 8½pc 1992	95	95½
Oslo 9pc 1988	100½	101
Ports Autonomes 9pc 1991	98½	99
Prov. Quebec 9pc 1996	95½	96¼
Prov. Saskatch. 8½pc 1986	99½	100
Reed International 9pc 1987	89½	90½
RHM 9pc 1992	93	93½
Selection Tst. 8½pc 1989	90½	91½
Skand. Enskilda 9pc 1991	98	98½
SKF 8pc 1987	91½	92½
Sweden (K'dom) 8½pc 1987	95½	96¼
United Biscuits 9pc 1989	98½	99
Volvo 8pc 1987 March	93	93½

NOTES	Bid	Offer
Australia 7½pc 1984	94½	95½
Bell Canada 7½pc 1987	93½	94½
Br. Columbia Hyd. 7½pc '85	94	94½
Can. Pac. 8½pc 1984	98¾	99½
Dow Chemical 8pc 1986	96½	97½
ECS 7½pc 1982	95¾	96¼
ECS 8½pc 1989	95½	96
EEC 7½pc 1982	96½	97
EEC 7½pc 1984	95¾	96½
Enso Gutzeit 8½pc 1984	98	98½
Gotaverken 7½pc 1982	97½	98¼
Kockums 8pc 1983	97½	98¼
Michelin 8½pc 1983	99½	100¼
Montreal Urban 8½pc 1981	100	100½
New Brunswick 8pc 1984	96¾	97½
New Bruns. Prov. 8½pc '83	100½	101
New Zealand 8½pc 1986	97½	98¼
Nordic Inv. Bk. 7½pc 1984	93¾	94½
Norsk Hydro 7½pc 1982	96½	97
Norway 7½pc 1982	95½	96½
Ontario Hydro 8pc 1987	95	95½
Singer 8½pc 1982	99½	100½
S. of Scot. Elec. 8½pc 1981	99½	100½
Sweden (K'dom) 7½pc 1982	97	97½
Swedish State Co 7½pc '82	96¾	97½
Telmex 9½pc 1984	98½	99½
Tenneco 7½pc 1987 May	92½	93½
Volkswagen 7½pc 1987	92½	93

STERLING BONDS	Bid	Offer
Courtaulds 9½pc 1989	96½	97
ECS 9½pc 1989	98½	99½
EIB 9½pc 1988	100	100½
EIB 9½pc 1992	97½	98½
Finance for Ind. 9½pc 1987	98½	99
Fisons 10½pc 1987	101	101½
INA 10pc 1988	98	98½
Rowntree 10½pc 1988	98½	99
Sears 10½pc 1988	98½	99½
Total Oil 9½pc 1986	98	98½

DM BONDS	Bid	Offer
Austria 6½pc 1985	106½	107½
BFCE 7pc 1987	105	105½
Denmark 6½pc 1983	106½	107
EIB 6½pc 1984	106	106½
Grand Met. 7pc 1984	104½	105
Hydro-Quebec 6½pc 1987	103½	103½
ICI 6½pc 1987	108	108½
Montreal 7pc 1987	102½	103½
Norsea Gas 7pc 1989	107½	109
Norsk Hydro 6½pc 1989	105	105½
Norway 5½pc 1982	103½	104½
Shell 6½pc 1989	105½	105½
Spain 6½pc 1984	102	102½
Sweden 6½pc 1984	105½	106
World Bank 6½pc 1987	104½	105½

FLOATING RATE NOTES	Bid	Offer
Bank of Tokyo 1984 7 15/16pc	99½	99½
BFCE 1984 7pc	98½	99
BNP 1983 7pc	99½	100½
CCF 1983 8pc	99½	100
CGMF 1984 7½pc	98½	99½
Creditanstalt 1984 7½pc	99½	99½
Credit Lyonnais 1982 8pc	99½	99½
DG Bank 1982 7 15/16pc	99½	100½
GZB 1981 7½pc	100½	100½
Intl. Wstmnstr. '84 7 15/16pc	99½	100½
Lloyds 1983 7½pc	100	100½
LTCB 1983 8pc	99½	100
Midland 1982 8pc	100½	101½
Midland 1987 7 11/16pc	98½	99½
OKB 1983 7½pc	99½	100½
SNCF 1985 8½pc	98½	99½
Std. and Chrtrd. '84 7 11/16pc	99½	99½
Wms. and Glyns '84 8 1/16pc	99½	100½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	81	83
Ashland 5pc 1988	84½	87½
Babcock & Wilcox 6½pc '97	92	93
Beatrice Foods 4½pc 1992	93	95
Beatrice Foods 4½pc 1992	102	104
Beecham 6½pc 1992	95	96
Borden 5pc 1992	99½	101½
Broadway Hale 4½pc 1987	76	78
Carnation 4pc 1987	76½	78½
Chevron 5pc 1988	121	123
Dart 4½pc 1987	76½	78½
Eastman Kodak 4½pc 1988	78	80
Economic Labs. 4½pc 1987	76½	78½
Firestone 5pc 1988	77½	79½
Ford 5pc 1988	82	84
General Electric 4½pc 1987	79	81
Gillette 4½pc 1987	86	89
Gould 5pc 1987	106	108
Gulf and Western 5pc 1988	78½	80½
Harris 5pc 1992	136	138
Honeywell 6pc 1986	84	86
ICI 6½pc 1992	85½	86½
INA 6pc 1997	90½	92
Inchcape 6½pc 1992	102½	103½
ITT 4½pc 1987	76	78
Jusco 6pc 1992	101½	102½
Komatsu 7½pc 1990	113	114
J. Ray McDermott 4½pc '87	143½	145½
Matsushita 6½pc 1990	128	129½
Mitsui 7½pc 1990	105½	106½
J. P. Morgan 4½pc 1987	90	92
Nabisco 5½pc 1988	98	100
Owens Illinois 4½pc 1987	111½	113½
J. C. Penney 4½pc 1987	74½	76½
Revlon 4½pc 1987	107	109
Reynolds Metals 5pc 1988	82	84
Sandvik 6½pc 1988	108	110
Sperry Rand 4½pc 1987	91½	93½
Squibb 4½pc 1987	77	79
Texaco 4½pc 1988	76½	78½
Toshiba 6½pc 1992	102½	103½
Union Carbide 4½pc 1982	91	93
Warner Lambert 4½pc 1987	77½	79½
Warner Lambert 4½pc 1988	73	75
Xerox 5pc 1988	75½	77½

Source: Kidder, Peabody Securities.

Midland Bank Board post

Dame Rosemary Murray

Dame Rosemary Murray, president of New Hall Cambridge, has been appointed to the Board of MIDLAND BANK from to-morrow. During the war Dame Rosemary served as an experimental officer in Admiralty Signals Establishment and then in the WRNS as Chief Officer. In 1946 she went to Cambridge as lecturer at Girton College. Dame Rosemary has been president of New Hall since 1954 and is former Vice-Chancellor of Cambridge University.

★

BARCLAYS BANK, Princes Street, Ipswich is to have two managers from March 6. Mr. ...ld Hunt, the present branch manager, takes the title corporate manager and will continue to be in overall control of the branch. This is the third corporate manager at Barclays, the others being at Luton and Pall Mall. Mr. Jack Adams will be branch manager at Ipswich. Mr. Ken ..., the deputy manager, is moving to Stowmarket branch as manager. He will be succeeded at ...es Street by Mr. Alan Gilpin.

★

Mr. J. A. Jeavons-Fellows has resigned from the Board of ...AIR to devote more time to his own business interests.

★

Mr. George Kenyon has been appointed a deputy chairman of WILLIAMS AND GLYN'S BANK. Mr. George, who has been a director of the bank since ...ay 1972, is also on the board of its holding company, National and Commercial Banking Group.

★

Mr. H. G. Balfour-Paul has succeeded Sir Richard Beaumont as director general of the MIDDLE EAST ASSOCIATION in London. He recently retired from the Diplomatic Service having served as ambassador in Iraq, Jordan and Tunis. Mr. Richard ...rd-Wilson has retired as deputy director general and secretary of the Association. He is replaced as secretary by Mr. ... North. Mr. North has come from ICI's personnel department in Millbank.

★

Sir Monty Prichard has become chairman of TURNER MANUFACTURING COMPANY in succession to Mr. S. V. Lancaster, who has retired from the Board. Sir Monty joined the Board last ... He is a director of Tozer Kemsley and Millbourn (Holdings), ... Brothers Corporation and ...s companies overseas. Until his retirement in 1975, Sir Monty was chairman and managing director of Perkins Engines and a member of the Board of Massey-Ferguson in Canada.

★

Mr. C. G. Stone and Mr. S. J. Rowland have been appointed joint managing directors of DOLLOND AND AITCHISON GROUP.

★

Mr. John W. Case, previously sales director of BA Chemicals division of the BRITISH ALUMINIUM COMPANY, has been appointed managing director of the division in succession to Mr. John C. Armstrong, who has become secretary to the group management committee.

★

Professor E. S. Page is to become vice-chancellor of the UNIVERSITY OF READING from January 1 1979 to succeed Dr. H. R. Pitt, who is retiring.

★

Mr. John Whitehead has been appointed chief executive in the Middle East for ARTHUR PRICE OF ENGLAND.

★

Mr. Stephen Baker, at present senior industrial adviser in the Department of Trade, has been appointed managing director of BRITISH ELECTRICITY INTERNATIONAL from April 3.

★

Mr. Christopher Round has joined SEASCOPE UNDERWRITING AGENCIES as assistant director and manager.

★

Mr. Tudor P. Morris has been appointed senior vice-president at the London branch of TEXAS COMMERCE BANK with responsibility for international treasury and foreign exchange. Mr. Malcolm J. Harding has succeeded Mr. Morris as vice-president and foreign exchange manager of the London branch.

★

Mr. Alan Bartlett has been appointed a vice-president at the London office of CHEMICAL BANK and continues responsibility for personnel affairs.

★

Mr. A. P. Davis and Mr. D. A. Lunn have been appointed to the Board of CARTNER GROUP, a member of the Charterhouse Group from to-morrow.

★

The INTERNATIONAL INSTITUTE OF COMMUNICATIONS states that Mr. Arthur Reef, vice-president, AMAX, has been designated chairman of the U.S. Committee of the IIC. He succeeds Mr. Alfred R. Stern, consultant to Warner Communications, who became vice-president of the IIC on January 1.

Fewer cigarette smokers

By David Freud

THE NUMBER of smokers began to decline in the mid-1970s, although cigarette consumption among those who continued the habit increased, according to the General Household Survey 1975, published to-day.

Between 1974 and 1975, the proportion of male smokers to non-smokers dropped from 51 to 48 per cent. This was most marked for the age groups 16-19 and 25-34.

In 1974, 42 per cent. of men in the younger group were smokers, compared with 37 per cent. in 1975. Among those aged 25-34, 56 per cent. were cigarette smokers in 1974, compared with 49 per cent. in 1975.

However, while the median number of cigarettes smoked by men each day was between 15 and 20 in 1973, in the next two years it was in the range of 20-25.

The General Household Survey 1975, Office of Population Censuses and Surveys. SO, £7.50.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on February 27, 1978. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories: (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate, no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/C) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
...istan	Afghani	65.00
...	Lek	O10.255
...	Dinar	7.6024
...	French Franc	8.261½
...	Spanish peseta	155.45
...	Kwanza	n.a.
...(S)	E.Caribbean $	5.2212
...	Ar. Peso Free Rate	1.566
...(S)	Australian $	1.7008
...	Schilling	28.56
...	Portug. Escudo	78.85
...(S)	Ba. Dollar	1.9520
...(S)	Taka	28.70
...(S)	Dinar	0.751
...	Spa. Peseta	155.45
...(S)	Barbados$††	3.884
...	B. Franc	(cm) 62.06 (fn) 61.70
...	B $	3.884
...	C.F.A. Franc	465¼
...(S)	Bda. $	1.9520
...	Indian Rupee	15.6715(sg)
...	Bolivian Peso	38.84
...(S)	Pula	1.600
...	Cruzeiro ‡‡	31.72
...Is(S)	U.S.$	1.9520
...(S)	Brunei $	4.468
...	Lev	1.7451
...	Kyat	13.523
...	Burundi Franc	174.496
...n Rp	C.F.A. Franc	465¼
...	Canadian $	2.1555
...Is	Spanish Peseta	155.45
...rde I.	Cape V Escudo	n.a.
...Is.(S)	Cay. I. $	1.6211
...Rp.	C.F.A. Franc	465¼
...	C.F.A. Franc	465¼
...	C.Peso	(Bk) 62.90
...	Renminbi Yuan	3.2854
...ia	C. Peso	(F) 75.85
...Tds.	C.F.A. Franc	465¼
...I'lles	C.F.A. Franc	465¼
...ica	Colon	16.615
...	Cuban Peso	1.4775
...(S)	Cyprus £	0.7551
...ovak.	Koruna	(com) 10.50 (nc) 21.10 (T) 19.45
...rk	Danish Krone	10.815
...	Fr.$	322(sg)
...(S)	E. Caribbean $	5.2212
...Rep	Dominican Peso	1.9520
...	Sucre	(O) 48.85 (F) 53.02
...	Egyptian £	(O) 0.756 (T) 1.51
...	Ethiopian Birr	(P) 4.0358
...Guinea	Peseta	155.45
...nd Is.	Falkland Is. £	1.0
...	Danish Krone	10.81½
...	Fiji $	1.6712
...	Markka	8.045
...	French Franc	8.261½
...n Af	C.F.A. Franc	465¼
...ana	Local Franc	8.261½
...Is.	C.F.P. Franc	168.455
...	C.F.A. Franc	465¼
...(S)	Dalasi	3.8746
...(East)	Ostmark	2.86¼

Place and Local Unit		Value of £ Sterling
Germany West	Deutschmark	3.98¾
Ghana (S)	Cedi	2.16(sg)
Gibraltar (K)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.7809
Greece	Drachma	69.5045
Greenland	Danish Kroner	10.815
Grenada (S)	E. Caribbean $	5.2212
Guadaloupe	Local Franc	8.261½
Guam	U.S. $	1.9520
Guatemala	Quetzal	1.9520
Guinea Rep	Sily	41.458
Guinea Bissau		77.5166
Guyana (S)	Guyanese $	4.9266
Haiti	Gourde	9.650
Honduras Rep	Lempira	3.90
Hong Kong (S)	H.K. $	8.9025
Hungary	Forint	(com) 72.68 (T) (nc) 66.56
Iceland (S)	I. Krona	n.a.
India (S)	Ind. Rupee	15.6715
Indonesia	Rupiah	801.78
Iran	Rial	(A) 135
Iraq	Iraq Dinar	0.57284
Irish Rep (k)	Irish £	1.00
Israel	Israel £	31.50
Italy	Lira	1660½
Ivory Coast	C.F.A. Franc	465¼
Jamaica (S)	Jamaica Dollar	2.88658
Japan	Yen	463
Jordan (S)	Jordan Dinar	0.581(sg)
Kampuchea	Riel	2510.4
Kenya (S)	Kenya Shilling	15.22
Korea (Nth)	Won	1.7616(T)
Korea (Sth)	Won	958.52
Kuwait (S)	Kuwait Dinar	0.548
Laos	Kip Pot Pol	585.40
Lebanon	Lebanese £	5.685
Lesotho	S. African Rand	1.678295
Liberia	Liberian $	1.9520
Libya	Libyan Dinar	(P) 0.5786
Liechtenstein	Swiss Franc	3.65
Luxembourg	Lux Franc	61.70
Macao	Pataca	9.572
Madeira	Portug'se Escudo	78.85
Malagasy Rp.	MG Franc	465¼
Malawi (S)	Kwacha	1.6716
Malaysia (S)	Ringgit	4.5475
Maldive Is. (S)	Mal Rupee	7.5627
Mali Rp	Mali Franc	928½
Malta (S)	Maltese £	0.7556
Martinique	Local Franc	8.261½
Mauritania	Ouguiya ‡	82.987
Mauritius (S)	M. Rupee	12.173
Mexico	Mexican Peso	44.24
Miquelon	C.F.A. Franc	465¼
Monaco	French Franc	8.261½
Mongolia	Tugrik	(O) 5.5671
Montserrat	E. Caribbean $	5.2212
Morocco	Dirham	8.57(sg)
Mozambique	Moz. Escudo	66.1540
Nauru Is.	Aust. Dollar	1.7009
Nepal	Nepalese Rupee	24.15
Netherlands	Guilder	4.25
Neth. Ant'les	Antillian Guild	3.45828
New Hebrides	Franc / Aust. Dollar	149.757 / 1.7008
N. Zealand (S)	N.Z. Dollar	1.8867
Nicaragua	Cordoba	13.57
Niger Rp	C.F.A. Franc	465¼
Nigeria (S)	Naira	1.18058
Norway	Norwg. Krone	10.32¼
Oman Sultanate of (S)	Rial Omani	0.668
Pakistan	Pkst. Rupee	19.375
Panama	Balboa	1.9520
Papua N.G. (S)	Kina	1.41336

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	241.05
P'ple's D. Rp of Yemen (S)	S. Yemen Dinar	A0.65878
Peru	Sol	ex(A) 251.67
Philippines	Ph. peso	14.241
Pitcairn Is. (S)	£ sterling / New Zealand $	— / 1.8867
Poland	Zloty	(Cm) 64.29 (T) 64.29
Portugal	Pgse. Escudo	78.55
Port Timor	Timor Escudo	78.85
Principe Isle	Pgse. Escudo	78.85
Puerto Rico	U.S. $	1.9520
Qatar (S)	Qatar Ryal	7.51
Reunion Ile de la	French Franc	8.26½
Rhodesia	Rhodesian $	1.2787
Romania	Leu	(cm) [illegible].61 (n/c) T 23.20
Rwanda	Rwanda Franc	176.64
St. Christopher (S)	E. Caribbean $	5.2212
St. Helena	St. Helena £	1.0
St. Lucia (S)	E. Caribbean $	5.2212
St. Pierre	C.F.A. Franc	465¼
St. Vincent (S)	E. Caribbean $	5.2212
Salvador El	Colon	4.88
Samoa (Am)	U.S. $	1.9520
San Marino	Italian Lira	1,660½
San Tome	Pgse. Escudo	78.85
Saudi Arabia	Ryal	6.70
Senegal	C.F.A. Franc	465¼
Seychelles	S. Rupee	15.248
Sierr Le'ne (S)	Leone	1.8874
Singapore (S)	Singapore $	4.483
Solomon Is (S)	Australian $	1.7009
Somali Rep	Som Shilling	(A) 12.1619
Sth. Africa (S)	Rand	1.678285
S.W. African Territories (S)	S. A. Rand	1.678295
Spain	Peseta	155.45
Span. Ports in North Africa	Peseta	155.45
Sri Lanka (S)	S.L. Rupee	28.790
Sudan Rp	Sudan £	(A) 0.6727
Surinam	S. Guilder	3.46528
Swaziland (S)	Lilangeni	1.678295
Sweden	S. Krona	8.85
Switzerland	Swiss franc	3.65
Syria	Syria £	(A) 7.6851
Taiwan	New Taiwan	(P) 73.418
Tanzania (S)	Tan. Shilling	16.215
Thailand	Baht	39.775
Togo Rp	C.F.A. Franc	465¼
Tonga Is. (S)	Pa'anga	1.5814
Trinidad (S)	Trin. & Tobago	4.6848
Tunisia	Tunisian Dinar	0.782(sg)
Turkey	Turkish Lira	54.70
Turks & C's	U.S. $	1.9520
Tuvalu	Australian $	1.7009
Uganda (S)	Ug. Shilling	15.175
Utd. States	U.S. Dollar	1.9520
Uruguay	Uruguay Peso	(cm) 10.44 (fn) 10.41
Utd. A'b Emirs	U.A.E. Dirham	7.51
U.S.S.R.	Rouble	1.350
Upper Volta	C.F.A. Franc	465¼
Vatican	Italian Lira	1,660½
Venezuela	Bolivar	8.38
Vietnam (Nth)	Dong	(O) 5.1158 (T) 5.589
Vietnam (Sth)	Piastre	5.8742(sg)
Virgin Is. U.S.	U.S. Dollar	1.9520
Western Samoa (S)	Samoan Tala	1.1698
Yemen	Ryal	8.78(sg)
Yugoslavia	New Y Dinar	35.3088
Zaire Rp	Zaire	1.584871
Zambia	Kwacha	1.455

* That part of the French community in Africa formerly of French West Africa or French Equatorial Africa.
† ...ees per pound.
‡ Ouguiya has replaced the CFA franc. The exchange made at a rate of CFA Frs.5 to one unit of the currency.
§ Afars and Issas now Djibouti.
¶ General rates of oil and iron exports $2.649.
|| Based on cross rates against Russian rouble.
** Rate is the Transfer market (controlled).
†† Rate is now based on 2 Barbados $ to the dollar.
‡‡ Now one official rate.

APPOINTMENTS

TAX SPECIALIST

PETROLEUM ACTIVITY—
STAVANGER—PARIS—LONDON

ELF AQUITAINE NORGE A/S is active in oil research in the North Sea, participates in the Ekofisk fields, and is the operator of the Frigg field which has started production in September 1977.

There is now an opening in the company for a Norwegian tax specialist.

The duties of the job will cover all tax aspects of the company's activity in Norway and the tax specialist will notably:

- Participate in the preparation of the tax returns.
- Ascertain that all tax rules are properly interpreted and followed.
- Give advice on all questions having tax implications.
- Analyse new tax laws and regulations.
- Communicate with the tax authorities in Norway and be prepared to explain company's arguments as appropriate.
- Liaise with tax departments in the group in Paris and London.

The tax specialist will have university degrees in relevant matters (law, accountancy, economics) and a good tax experience gained through some years of tax practice in Norway.

He will be a Norwegian national. He will know English fluently.

Although the position is primarily in Stavanger, short stays abroad in Paris and London might take place to gain international exposure.

Write to:

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Finance Director

for a British public company, with sales in excess of £300m in commodity trading.

- SUPPORTED by a competent professional staff, responsibility will be for finance policy and control for the Group. There is prospect of a broader role within a few years.
- THE need is for a record of achievement as head of the finance function of an international trading operation and a period in general management either at home or overseas.
- REMUNERATION is negotiable with a flexible package starting at not less than £20,000. Preferred age late 30s early 40s.

Write in complete confidence to P. T. Prentice as adviser to the company.

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MANAGING DIRECTOR

Growth has created this challenging and exciting opportunity. Increasing market dominance and technical leadership is the base upon which this Division is to continue profitable expansion in waste disposal. It is part of a well known and successful British company.

The challenge is one of exploitation – of the services and the technology in the market. Profit accountability is to the Chairman.

A record of attainment is required in the direction of an enterprise in which all aspects of professional management have been applied with success.

Age range probably 40's, but track record is more important than age.

The salary indicator is £12,500 with attractive conditions of service including car provided.

Letters from suitably qualified men or women, should include a detailed curriculum vitae including salary progression to date which will be handled in confidence by Dr A G Roach.

ROACH
A G ROACH & PARTNERS,
8 HALLAM STREET, LONDON W1N 6DJ

ASSISTANT COMPANY SECRETARY

circa £6,750

The expansion of our activities in the field of defence sales to overseas governments and the associated growth of our overseas projects and UK base of operations necessitates the appointment of an assistant Company Secretary at our head office in the Victoria area of London.

The Assistant Company Secretary will assist and, when necessary, deputise for the Company Secretary in providing a service to the Chairman and the Chief Executive on all aspects of the Company's statutory and legal obligations, and assist the Company Secretary in a range of management functions associated with the administration of the Company's Head Office. The individual will carry specific management responsibility for the office services function.

Applicants, ideally Chartered Secretaries or legally qualified, must have had at least 3 years relevant experience in a medium-sized firm, preferably in a comparable field of activity. Experience in dealing with government departments would be an added advantage.

The Company operates a non-contributory pension scheme. Annual leave is 5 weeks.

Applications, giving career details, should be sent to the Personnel Director at the address given below, quoting reference ADM/3/78/FE by 13 March.

Millbank Technical Services Ltd.,
4 Abbey Orchard Street,
London SW1P 2JJ

MTS

COMPANY NOTICES

THE PACIFIC FUND S.A.

Société Anonyme
Headoffice: Luxembourg, 5? rue Notre-Dame
Trade Register: Luxembourg B 7,625

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is going to be held on March 13th 1978 at 10.00 a.m. at 43, Boulevard Royal, Luxembourg, with the following agenda:

Agenda

1. Submission of the reports of the Board of Directors and Statutory Auditor
2. Approval of the balance sheet and the profit and loss statement and allocation of the results as of December 31st, 1977
3. Discharge of the Directors and Statutory Auditor
4. Receipt of and action on nomination relative to the election of Directors and Statutory Auditor for a further financial year
5. To set off the accumulated losses against the extraordinary reserve
6. Miscellaneous.

There is no quorum requirement and the resolutions will be passed on a simple majority vote of the shareholders present or represented.

The Board of Directors

THE COMMERCIAL BANK OF AUSTRALIA

HALF-YEAR RESULTS

The Directors today announced that unaudited group operating net profit for the half-year to December 31, 1977 was Aust. Dlrs. $11,564,000 an increase of Aust. Dlrs. $830,000 or 7.7 percent, above the comparative figure of Aust. Dlrs. $10,734,000 achieved for the Dec 1976 half year.

Extraordinary items for the half-year totalled debit Aust. Dlrs. $21,000 (1976 credit Dlrs. $33,000).

In releasing details of the group's result, Sir Thomas Webb, Chairman of Directors, pointed out that in the banking sector continued pressure on interest margins and rising operating costs, the impact of the new higher Australian tax rate, and a significant downturn in the profitability of New Zealand operations, all combined to reduce banking operating profit below the level of the December 1976 half year.

As previously announced, operating profit (after tax) of the General Credits Holdings Limited Group increased by 27.7 percent, to Dlrs. $7,278,000 continuing the established trend of strong increases in reported tax-paid profits.

Interim dividends have been declared in respect of the year ending June 30, 1978 as follows:—

—40 cents per preference stock unit (last year 40 cents per unit);
—8 cents per ordinary stock unit (last year 8 cents per unit).

Dividends will be payable on Thursday, March 23. To determine members' entitlements, the transfer books will close at 5.00 p.m. on Wednesday, March 8 and will re-open on Friday, March 10.

There may be a few days delay in despatch of dividend warrants to stockholders on the London register due to the fact that English equivalent cannot be determined until rate of exchange current on the date of payment is known.

The 1978 new share issue does not participate in the interim dividend now declared.

D. W. STRIDE,
Managing Director.

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the undermentioned half-yearly dividends have to-day been declared payable on the 31st March, 1978, in the currency of the Republic of South Africa to all holders of the Company at the close of business on the 10th March 1978:

6% First Cumulative Preference Shares. Dividend No. 87 — 3%
5½% Third Cumulative Preference Shares. Dividend No 69 — 2¾%

The usual non-resident shareholders tax of 15% will be deducted where applicable.

The registers of members will be closed in Johannesburg and London from the 11th to 19th March, 1978 both days inclusive, for the purpose of the payment of the above dividends.

By Order of the Board
J. B. PARNALL, Secretary.

London Registrars:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.

Registered Office:
O.K. Buildings,
Eloff, Pritchard and President Streets,
Johannesburg.

24th February, 1978.

CITY OF BERGEN

1973/1991 7½% Lux. Frs. Loan

NOTICE IS HEREBY GIVEN to bondholders of the above loan that the amount redeemable on April 10, 1978 i.e. 25,000,000 Lux. Frs. was bought in the market.

Amount outstanding:
Lux.Frs.400,000,000

THE FISCAL AGENT
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg,
February 28, 1978

NEGIT S.A.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the eighth ANNUAL GENERAL MEETING of NEGIT S.A. will be held at the registered office in Luxembourg, 10a, Boulevard Royal, on Tuesday, 14th March 1978, at 12 noon, for the purpose of considering the following Agenda.

1. To receive and adopt the Directors' Report and the Report of the Statutory Auditor for the year to 31st December, 1977.
2. To receive and adopt the Balance Sheet and Statement of Operations as at 31st December, 1977.
3. To approve payment of Directors' Fees.
4. To grant discharge to the Directors and the Statutory Auditor in respect of the execution of their mandates to 31st December, 1977.
5. To receive and act on the statutory nomination for election of Directors and the Statutory Auditor for a new term of one year.
6. To appropriate the earnings.
7. To transact any other business.

The resolutions will be carried by a majority of those present or represented.

The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the registered office of the Company not later than twenty-four hours before the meeting.

By Order of the Board
J. PIERSON,
Secretary.

CONTINENTAL NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

NOTICE TO SHIPPERS

Traffic in the Hamburg/Bordeaux range and the United States ports in the range Portland Maine/Hampton Roads Virginia.

EMERGENCY SURCHARGE

This is to advise that the Continental North Atlantic Westbound Freight Conference has decided to cancel its announced emergency surcharge of 6 per cent. which was to become effective on March 5th 1978. The Conference has arrived at this decision after affording full consideration to all relevant factors and particularly the views and requests of the shipping public.

The Conference members consider that the cancelled emergency surcharge was legally valid, economically justifiable and constituted a fair and reasonable means to recover losses experienced as a result of the recent dockworkers' strike at United States Atlantic and Gulf ports. However the members have concluded that the long-term interests of the trade, the needs of shippers and the promotion of commerce make it advisable to cancel the surcharge.

American Container Lines Inc.
Atlantic Container Line (G.I.E.).
Dart Containerline Co. Ltd.
Hapag-Lloyd AG.
Sea-Land Service Inc.
Scatrala International S.A.
United States Lines Inc.

CONTINENTAL NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE.

74 St. James's Street
London S.W.1.
Issued 24th February 1978

F. AUSTIN (LEYTON) LTD.

The ordinary share TRANSFER BOOKS will be CLOSED from the 28th-31st March inclusive, for the preparation of dividend warrants.

THE TOR INVESTMENT TRUST LIMITED

NOTICE IS HEREBY GIVEN that the REGISTERS of the Preference and Income Shares will be CLOSED from 11th March to 24th March 1978 inclusive.

By Order of the Board
J. TODD, Secretary.

GOURMET

BORDEAUX DIRECT's Free Catalogue "Outstanding and Generous" Guardian 32 pages, maps and vineyard illustrations. Write Tony Laithwaite, Bordeaux Direct, Aquitaine House, Farnburn Avenue, Slough, mentioning Financial Times.

PUBLIC NOTICES

STRATHCLYDE REGIONAL COUNCIL

£6m Bills issued February 15 1978 at ... to mature May 17 1978. Total applications were £44.75m. and total outstanding £24m.

CLUBS

EVE, 189 Regent Street, 734 0575. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69, Dean Street, London, W... NEW STRIPTEASE FLOOR SHOW "THE GREAT BRITISH STRIP" Show at Midnight also 1 a.m. Mon.-Fri. Closed Saturdays. 01-437 645...

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Sharply lower on inflation worries

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 27.

AFTER RALLYING further at the outset to-day on the dollar's rise in Overseas currency markets, Wall Street turned sharply lower in fairly active trading, reflecting investor concern over rising inflation and worries that striking coal miners may reject a proposed contract settlement.

The Dow Jones Industrial Average further recovered to 761.26 before retreating to 748.35 for a fall of 7.89 on the day, more than erasing last Friday's 5-point rally. The NYSE All Common Index finished 38 cents down at $48.81, after rising to $49.29, while falls outscored gains by 887 to 502. Turnover contracted by 2.52m. shares to 19.99m. from last Friday's total.

Analysts said the major news behind the market's retreat was the Labor Department's report that, on the new scale, the Consumer Price Index rose in January at an adjusted 9.6 per cent. rate, compared with gains of 4.8 per cent. in each of the two previous months. Labor Statistics Bureau Commissioner Julius Shiskin called the January Jump a cause for concern. However, the White House stated that it sees no change in the underlying inflation rate.

Glamour issues were among the hardest hit, Eastman Kodak falling 1¼ to $42½, Du Pont the same amount to $100, Disney $1 to $33, and Honeywell 1½ to $45½. IBM, which is suing Xerox for alleged patent infringement in the U.S. and Canada, retreated 2¾ to $253¾, while Xerox, trading ex-dividend, declined 1½ to $41½.

Datapoint receded 2¾ to $38⅜—the company plans to make a 600,000 shares offering.

Among the few bright spots AMBAC rose 2¼ to $37¾ on news of preliminary merger discussions with an unamed company.

THE AMERICAN SE Market Value Index closed 0.53 weaker at 123.34 after volume of 2.44m. shares (2.70m.).

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Weyerhaeuser	233,000	21⅜	−⅛
Transamerica	216,400	13¼	−⅛
Bristol-Myers	189,700	29⅞	—
Columbia Pictures	164,100	14½	−⅛
Twentieth Cent.-Fox	148,500	25⅞	−½
Sony	144,200	7⅞	+⅛
SCA Services	141,400	6⅞	−⅛
Xerox	132,200	41½	−1½
Eastman Kodak	131,600	42¼	−1¼
Exxon	127,900	44⅞	−⅜

OTHER MARKETS

Canada down

Canadian Stock Markets showed a preponderance of declines at yesterday's close, reversing an earlier firmer trend. The Toronto Composite Index came back 4.0 to 1009.3, while Oils and Gas receded 11.5 to 1,324.9 and Banks 0.63 to 240.86, but Golds rallied 4.0 to 1,344.5.

Turonver swelled to 4.77m. shares on the Toronto SE.

PARIS—Most sectors eased in thin trading with a poll showing 53 per cent. of French industry chiefs believe the Left have a fairly good chance of coming to power in the March elections undermining sentiment.

Cie Bancaire, Schneider, Bouygues, Borel, LMT, Matra and Aquitaine were all outstandingly weaker.

BRUSSELS—A little firmer for choice after more lively trading.

Cobepa, Asturienne, Vieille Montagne, Cockerill, Clabec and CBR rose, but Fabrique Nationale, Sidro, Mosane and Cometra lost ground.

AMSTERDAM—Shares tended to improve afresh in a small business.

Akzo and Philips lost some ground in otherwise firmer Dutch Internationals, where Royal Dutch added Fls0.80.

Van Ommeren, Bois, Geisse de Noord and Wereldhave made headway, but Middenstandsbank, despite higher dividend and profits, reacted Fls.2.

GERMANY—Prices closed on a mixed note, with the dollar's firmer tone and last Friday's improvement on Wall Street balanced by the threat of strike action in the German printing and metal industries.

Brown Boveri shed DM3.90 in Electricals, while Varta was DM4 down in Utilities. Engineerings were generally weaker, but Volkswagen added DM1 in Motors.

Public Authority Bonds were irregular in quiet trading, with movements ranging between gains of DM0.25 and losses of DM0.15. The Regulating Authorities bought DM4.7 nominal of paper after selling DM14.2m. last Friday. Mark Foreign Loans were steady.

SWITZERLAND—Stocks were often higher in moderate activity following measures announced by the Government and the Swiss National Bank to stem the Swiss franc's rise.

Swissair put on 12 to Sw.Frs.879 in response to its January results.

Credit Suisse, in Banks, rose 25 to Sw.Frs.2,510, unaffected by the upward revised amount of the Chiasso negative interest charge by the Swiss National Bank.

Export-orientated issues were helped by the dollar's recovery, Nestle adding 15 at Sw.Frs.3,685 and Brown Boveri "A" 25 at Sw.Frs.1,750.

STOCKHOLM—Weaker, with Cellulosa receding 8 to Kr.195 and Billerud 2.5 to Kr.70.

MILAN—Market was predominantly lower in thin trading, with operators cautiously awaiting the outcome of the prolonged political negotiations.

Pirelli was an isolated bright spot, rising 70 to L2,300, but Pirelli Spa receded 19 to L1,021. Snia Viscosa fell 31 to L600, Bastogi 27 to L522, and Fiat 34 to L1,948.

Assicurazioni Generali declined 430 to L35,010, failing to be helped by company expectations of at least maintaining the 1977 dividend on increased capital.

HONG KONG—Firmer-inclined in slightly higher turnover.

Most interest centred in Hong Kong Bank, which gained 30 cents to $HK17.40 ahead of to-day's results, while Hang Seng Bank advanced $HK6 to $HK161 in response to last Friday's profit figures. However, Jardine Matheson dipped 10 cents to $HK12.30, and Paul Y lost 4½ cents to $HK1.80.

TOKYO—Share prices advanced in brisk trading, with Pharmaceuticals and export-orientated issues prominent, on market expectations that the Bank of Japan's official discount rate will be cut next month. The Nikkei-Dow Jones Average rose 55.66 to 5,222.12. Volume 410m. shares.

The dollar's recovery on overseas foreign exchange markets late last Friday gave an additional boost to export-orientated stocks and large-capital shares.

JOHANNESBURG—Golds were easier across the board in slack trading. Heavyweight losses ranged to 90 cents, as in the case of Randfontein, R58.60, while elsewhere, Kloof lost 25 cents to R8.45.

Financial Minings were lower, where changed, after a thin trade, Johnnies recording a loss of 65 cents at R20.50.

AUSTRALIA — Markets lost further ground, depressed by bearish economic and corporate news.

Among weaker Banks, Bank of NSW receded 6 cents to $A5.12, while ANZ were traded ex the scrip issue at $A2.59.

Reckitt and Colman declined 10 cents to $A2.50, while losses of 5 cents occurred in Myer, $A1.70, and David Jones, 93 cents.

In the Mining sector, Renison retreated 14 cents to $A6.50 and Central Norseman shed 20 cents more to $A8.50, but Coal and Allied, still on the results, gained another 2 cents at $A3.90.

Swiss franc falls

Further measures designed to stem the flow of foreign capital into Switzerland led to a decline of the Swiss franc in the foreign exchange market yesterday. Its trade-weighted appreciation since December 1971, as calculated by Morgan Guaranty of New York, fell to 76.96 per cent. from 79.93 per cent. The Swiss franc opened at Sw.Frs.1.8225 against the dollar, but fell to Sw.Frs.1.9025, following the announcement of the new restrictions, which come on top of the measures outlined last Friday.

The U.S. dollar was generally weak at the opening, probably as a result of earlier selling in Far East markets. It was around DM2.0275 against the D-mark, but improved to close at DM2.0530, compared with DM2.05 on Friday, and closed at Sw.Frs.1.89, compared with Sw.Frs.1.8550 on Friday.

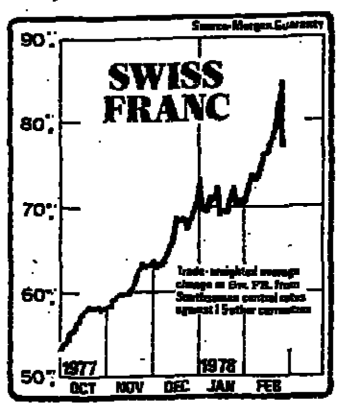
The dollar's trade-weighted index, on Bank of England figures, rose to 90.7 from 90.3, but its trade-weighted depreciation, according to Morgan Guaranty, widened to 5.09 per cent. from 4.95 per cent.

The Bank of England calculation of sterling's index fell to 65.3 from 65.5, after standing at 65.3 at noon and 65.4 in early trading.

The pound opened at $1.9440-1.9450, its best level of the day, but fell to a low point of $1.9265-1.9275, before closing at $1.9315-1.9325, a rise of 20 points on the day.

The French franc was very firm, probably reflecting support by the Bank of France. It finished at Fr.Frs.4.7975 against the dollar, compared with Fr.Frs.4.84 on Friday.

Gold rose $¾ to $180¾-181¼ in moderate trading.



CURRENCY RATES

	Special Drawing Rights February 27	European Unit of Account February 27
Sterling	0.653802	0.645581
U.S. dollar	1.22514	1.24776
Canadian $	1.36715	1.39100
Austria sch.	18.0218	18.3231
Belgian franc	38.8156	39.5321
Danish krone	6.86997	6.99591
Deutschemark	2.50076	2.54843
Dutch guilder	2.67958	2.72709
French franc	5.89782	6.00241
Italian lira	1046.51	1064.84
Japanese yen	291.951	297.234
Norway krone	6.52142	6.63792
Spain peseta	98.4841	100.221
Swedish krone	5.64054	5.74846
Swiss franc	2.26835	2.31182

EXCHANGE CROSS-RATES

Feb. 27	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2A625-40	42.46-60	6.430-445	3.955-965	93.32-42	108.55-75
New York	48.93-98	—	21.00-10	3.1300-60	1.9395-9410	46.70-85	53.40-60
Paris	235.29-79	4.808-820	—	15.176-210	9.2950-3130	220.08-58	259.58-80.08
Brussels	15.48-54	31.79-84	6.58-62	—	61.28-46	14.47-54	16.86-99
London	[illegible]	1.9315-25	9.26-27	61.65-75	—	4.24¼-25¼	3.64¼-6¼
Amst'dam	107.05-06	2.1857-1882	45.41-65	6.9085	4.2225-2275	—	117.835-885
Zurich	91.625-961	1.8825-2900	39.170-315	5.9031-9844	3.6317-6435	25.583-889	—

U.S. $ in Toronto U.S. $=111.63-65 Canadian cents.
Canadian $ in New York = 89.63-65 cents. U.S. $ in Milan 854.25-50
Sterling in Milan 1650.00-1651.00.

EURO-CURRENCY INTEREST RATES*

Feb. 27	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
Short term	6⅛-6⅝	6¾-7¾	6⅝-6⅞	5⅛-5¾	⅛-⅜	5⅛-5⅜
7 days notice	6⅜-6⅞	6¾-7¼	6¾-7	5½-5⅝	⅛-⅜	5⅛-5⅜
Month	7⅛-7⅝	6⅞-7⅜	6⅞-7⅛	5⅜-5⅝	par-⅛	5⅜-5⅝
Three months	7½-7¾	7-7⅜	7¼-7½	5½-5¾	⅛-¼	5⅜-5⅝
Six months	8⅛-8⅜	7½-7⅞	7⅝-7⅞	5⅜-5⅝	⅝-⅞	3⅛-3¼
One year	8⅜-8⅝	7¾-8⅛	7⅞-8⅛	5¾-6	1-1⅛	3⅜-3⅝

Euro-French deposit rates: two-day 10¼-10½ per cent.; seven-day 11½-11¾ per cent.; one-month 13-13½ per cent.; three-month 15¼-15¾ per cent.; six-month 12½-13½ per cent.; one year 12½-12¾ per cent.

Long-term Eurodollar deposits: two years 8¼-8½ per cent.; three years 8¼-8¾ per cent.; four years 8⅜-8⅝ per cent.; five years 8½-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6.95-7.05 per cent.; three-month 7.17-7.27 per cent.; six-month 7.45-7.55 per cent., one-year 7.73-7.83 per cent.

* Rates are nominal calling rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 27	Feb. 24
Gold Bullion (a fine ounce) Close	$180¾-181½	$180-180¾
Opening	$181¾-182½	$183-183¾
Morning fix'g	$182.10 (£94.070)	$183.75 (£94.182)
Afternoon fix'g	$180.80 (£93.572)	$180.75 (£92.987)
Gold Coin domestically Krugerrand	$188¾-190¾ (£97¾-98¾)	$187-189 (£96¾-97¾)
New Sov'gns	$58-60 (£30-31)	$57½-59½ (£29¾-30¾)
Old Sov'gns	$58-60 (£30-31)	$57½-59½ (£29¾-30¾)
Gold Coins (Internat'lly) Krugerrand	$185¾-187¾ (£96¼-97¼)	$185-187 (£95¾-96¾)
N'w Sov'gns	$57-59 (£29½-30½)	$57½-59½ (£29¾-30¾)
Old Sov'gns	$58-60 (£30-31)	$57½-59½ (£29¾-30¾)
$20 Eagles	$285½-289½	$285-288

FOREIGN EXCHANGES

Feb. 27	Bank Rates %	Day's Spread	Close
New York	6½	1.9265-1.9450	1.9315-1.9325
Montreal	7½	2.1840-2.1870	2.1650-2.1660
Amsterdam	4½	4.21-4.25	4.24¼-4.25¼
Brussels‡	6½	61.05-61.75	61.65-61.75
Copenhagen	9	10.80-10.91	10.81-10.82
Frankfurt	3	3.95-3.97½	3.96¼-3.97¼
Lisbon	13	77.50-79.00	78.75-78.95
Madrid	8	155.30-156.50	155.40-155.60
Milan	11½	1,649-1,659	1,650-1,651
Oslo	6	10.27-10.35	10.32-10.35
Paris	9½	9.26-9.40¼	9.26-9.27
Stockholm	8	8.80-8.86½	8.82½-8.83½
Tokyo	4¼	460-470	462-464
Vienna	5½	28.30-28.60	28.50-28.60
Zurich	1	3.55-3.66	3.64¼-3.65¼

‡ Rates given are for convertible francs. Financial franc 61.60-61.50.

OTHER MARKETS

		Notes	Rates
Argentina	1605-1687	Argentina	1250-1350
Australia	1.6924-1.7094	Austria	28¼-29¼
Brazil	31.22-32.22	Belgium	61½-64½
Finland	8.04-8.06	Brazil	35-40
Greece	69.055-70.756	Canada	2.11-2.21
Hong Kong	8.87½-8.90½	Denmark	10.5-11.1
Iran	132-138	France	9.20-9.40
Kuwait	0.534-0.544	Germany	3.90-4.05

Rate given for Argentina is a free rate.

FORWARD RATES

Indices

NEW YORK—DOW JONES

	Feb. 27	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 17	1977-78 High	1977-78 Low	Since compilat'n High	Since compilat'n Low
Industrial	748.35	756.24	750.95	749.05	749.51	752.69	999.75	748.35	1051.70	41.22
H'me B'nds*	88.62	88.51	89.56	89.44	89.59	89.55	[illegible]	88.55	—	—
Transport	203.89	205.86	205.78	205.94	203.01	206.84	246.64	199.60	279.88	13.23
Utilities	102.94	103.21	102.64	102.54	102.84	103.52	11-.67	102.54	163.32	10.58
Trading vol. 000's	19,990	22,510	18,720	18,450	21,890	18,600	—	—	—	—

* Basis of index changed from August 24

Ind. div. yield %	Feb. 24	Feb. 17	Feb. 10	Year ago (approx.)
	6.14	6.13	5.94	4.50

STANDARD AND POORS

	Feb. 27	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 17	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	96.48	97.58	95.48	96.38	96.45	96.81	[illegible]	95.58	134.64	3.52
Composite	87.72	88.49	87.64	87.58	87.59	87.96	107.10	87.66	125.85	4.40

	Feb. 22	Feb. 15	Feb. 8	Year ago (approx.)
Ind. div. yield %	5.47	5.33	5.17	4.16
Ind. P/E Ratio	8.45	8.57	8.77	10.80
Long Govt. Bond yield	8.27	8.26	8.20	7.77

N.Y.S.E. ALL COMMON

Feb. 27	Feb. 24	Feb. 23	Feb. 22	1977-78 High	1977-78 Low
48.81	49.19	48.76	48.62	57.07	48.69

Rises and Falls

	Feb. 27	Feb. 24	Feb. 23
Issues traded	1,859	1,821	1,830
Rises	502	1,012	690
Falls	887	408	645
Unchanged	470	401	485
New Highs	—	—	9
New Lows	—	—	81

MONTREAL

TORONTO

JOHANNESBURG

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♦ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—87½% (84%)
Effective rate (at 1.9320) 39¼% (36½%)

NEW YORK

CANADA

GERMANY ◆

Feb. 27	Price Dm.	+ or −	Div. %	Yld. %
AEG	88.8	−1.0	—	—
Allianz Versich.	489	−2	18	1.8
BMW	229	−2	20	4.5
BASF	140	−0.3	17	6.1
Bayer	139.5	−0.4	16	5.7
Bayer. Hypo.	289.5	−1.0	20	5.4
Bayer. Vereinsbk.	322		20	3.1
Ciba Geigy Net.wrts	220		—	—
Commerzbank	231.2	+0.5	18	3.9

TOKYO ¶

Feb. 27	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	318		14	2.2
Canon	465	+11	14	1.5
Casio	615	−3	25	2.0
Chinon	391	+31	20	2.6
Dai Nippon Print	529	−8	18	1.7
Fuji Photo	564	−22	15	1.3
Hitachi	238	+2	12	2.5
Honda Motors	577	−15	18	1.6
House Food	1,230	+30	35	1.4

AUSTRALIA

Feb. 27	Aust. $	+ or −
ACMIL (25 cent)	†0.62	−0.04
Acrow Australia	†0.90	+0.02
Allied Mnf-Trdg. Indus $1	‡2.20	−0.02
Ampol Exploration	‡1.28	+0.03
Ampol Petroleum	†0.67	
Assoc. Minerals	‡0.72	−0.02
Assoc. Pulp Paper $1	†1.48	−0.02
Assoc. Con. Industries	†1.58	−0.02

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ●

COPENHAGEN ♣

MILAN

VIENNA

STOCKHOLM

OSLO

BRAZIL

JOHANNESBURG

SPAIN ♥

FARMING AND RAW MATERIALS

...y pension ...ds buy ...n land

...Short

...N FUNDS, unlike insur-...ompanies and other ...institutions, have not ...bstantial investors in ...ral land, says the ...Association of Pension

...sent, those funds have ...2 per cent. of their ...agricultural land; it ...evidence to the North-...mittee.

...formation was based on ...of 60 directly-admini-...unds with an aggregate ...bout £11bn.

...£60m. of the total was ...agricultural land and ...r part of the figure had ...ested since 1970. The ...howed that £37m. had ...ested in the past three

...Association emphasised ...re were three main ...fluencing pension funds' ...invest in this sector. ...e sample showed was ...mainly to the larger ...ith assets of at least

...there was a general ...spread investment risk ...rtunity over as wide a ...possible.

...agricultural land was ...as a secure investment ...d by fashion and was ...mental importance to ...economy.

...over a long period ...ral rents had shown a ...y level of growth and ...sion funds are primarily ...with income, this was ...important factor.

...idence pointed out that ...lds were low with this ...nvestment and that not ...regarded the returns as ...ry. The survey revealed ...t funds consulted had ...they did not intend to ...e than 3 per cent. of ...ets in agricultural land.

Cocoa rally continues on London market

BY RICHARD MOONEY

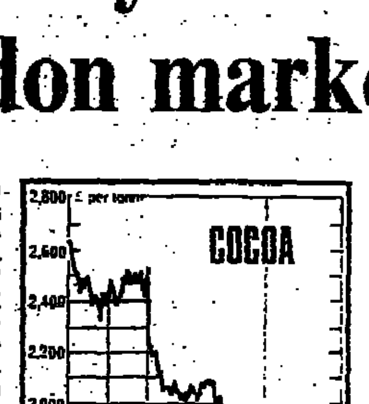
COCOA PRICES continued to advance on the London futures market yesterday in what some dealers saw as "an extended correction to the recent over-sold situation." May cocoa gained another £42.25 to £1,584.75 a tonne and has now risen more than £130 in three trading days.

The Russian buying, which prompted last week's turnround in sentiment, was absent from the market yesterday, traders reported. But speculative buying was much in evidence as "investors" purchased cocoa to cover earlier "short" sales.

Nigeria and Ghana were both selling cocoa fairly substantially but no sales were reported by the Ivory Coast or the Cameroons.

Chart "patterns" are still pointing to higher prices and further advances are forecast by dealers. But market sources generally agree that the long-term prospect remains "bearish" and expect prices to slip back, possibly to new lows, once the current rally has played itself out.

Last week's Soviet purchases have been rumoured to have totalled 10,000 tonnes, mostly through the London market. London dealers have been unable to confirm this figure but some said they knew of Soviet purchases totalling nearly 7,000 tonnes.



Brazil's 1977-78 output is expected to rise to 250,000 tonnes from 234,000 in 1976-77.

In Washington meanwhile the Ivory Coast's 1977-78 cocoa crop is forecast to possibly reach 260,000 tonnes, up from 230,000 tonnes in 1976-77, says a U.S. Agriculture Department field dispatch from Abidjan.

It is said the estimate includes "very large" quantities of cocoa smuggeld in from Ghana, rumoured at 20,000 to 40,000 tonnes, more than double recent years.

● Officials from the world's cocoa-producing nations met in Douala, Cameroons, yesterday to work out a common approach for the coming session of the International Cocoa Council, to be held in London in late March.

All nine members of the Alliance of Cocoa-Producing Countries — Brazil, Cameroun, Ivory Coast, Ecuador, Gabon, Ghana, Nigeria, Togo and Trinidad and Tobago — were represented.

Other producer countries were invited to send observers.

Tin prices rise sharply

By Our Commodities Staff

TIN prices rallied strongly on the London Metal Exchange yesterday following last week's downturn.

Standard grade cash tin jumped by £120 to £6,175 a tonne at the close, and moved further ahead in late kerb dealings.

The three months quotation after having closed at £6,135 traded as high as £6,225 on the late kerb before falling back to £6,190 on profit-taking.

Other base metal markets were also higher, notably lead. As with tin, covering of previous sales, and some trade buying interest, lifted the cash price by £13.75 to £290.5 a tonne.

Copper and zinc followed the upward trend, but in quieter trading conditions.

Copper cash wirebars rose by £6.75 to £618.75 a tonne and cash zinc by £4.5 to £239.75 a tonne.

There was another sharp fall in copper stocks—down by 9,275 tonnes.

9,275 tonnes, reducing total LME warehouse copper holdings to 622,425 tonnes.

The fall in stocks, attributed to shipments to the U.S. to beat a possible curb on imports, was in line with expectations and had been discounted by the market.

Also as predicted tin stocks rose by 100 to 4,260 tonnes, while lead stocks fell by 800 to 68,025 tonnes and zinc by 550 to 63,450 tonnes. LME silver holdings fell by 210,000 ounces to 19,170,000 ounces.

TEA MARKET

Indian tactics may tip the balance

BY JOHN EDWARDS, COMMODITIES EDITOR

TEA PRICES were slightly lower at the London auctions yesterday in the face of what was described as "irregular demand."

Average prices for quality tea were down by 3p to 152p a kilo, medium by 3p to 132p; and plain by 5p to 95p.

The quiet trend at the auctions caused some surprises in view of U.K. tea blenders' claims that the market was rising, and the fact that the supply-demand situation is finely balanced—much the same as last year just before prices rocketed to all-time peaks.

An extra imponderable this year is the attitude of the Indian Government over its future tea export policy.

A committee was appointed earlier this month to examine the whole range of Indian tea marketing.

The committee was originally inspired by complaints about "under-invoicing" of tea exports by Indian companies as a means of building up foreign currency reserves overseas.

But subsequently the committee's brief was expanded to cover the whole of tea marketing, including the emotive issue of whether the London tea auctions allegedly controlled by the old colonial interests—should be bypassed in future and sales of Indian tea be confined to domestic auctions only.

Indeed the whole auction system, in India and overseas, will come under the committee's scrutiny to decide whether or not it is advantageous to the producer and fair to the consumer.

The London tea trade is confident that it will be given a clean bill of health from the committee, having survived two searching inquiries from the U.K. Monopolies Commission in 1956 and 1970, as well as a series of examinations from producer countries in the past.

But while the committee deliberates, there is a large element of uncertainty about future Indian tea shipments, which have been restricted by an export quota and last year the imposition of a hefty export tax amounting to Rs5 (about 40p) a kilo.

The Indian export of 225m. kilos for the 1977/78 season has been fulfilled, so there is no prospect of any further shipments until the committee of experts completes its reports some three or so months from now.

But India does not normally ship at this time of the year and substantial arrivals should not be expected until October.

In the meantime, arrivals will continue to come in from other countries, and stocks held in the U.K. are above last year's level although still low compared with past years.

Last year tea blenders, who buy the raw tea for blending into the brands sold eventually by the shops, bought heavily because of fears of a shortage of supplies aggravated by an anticipated surge in demand resulting from the high prices of coffee—the main rival hot drink.

But bumper crops in the main producing countries that raised output by some 10 per cent. to an estimated 1,034m. kilos meant that there was still a small surplus of supplies—according to estimates by the International Tea Committee.

The fairly subdued buying interest at yesterday's London auctions probably reflects the fact that blenders do not want to repeat last year's mistake, and they are also aware of Mr. Hattersley's threat to impose lower prices, backed lp by supermarket chains flushed by their success in forcing coffee prices down.

It is too early to say yet what production is likely to be this year. Early indications are of reasonably favourable conditions, but Sri Lanka and Malawi are reported to be running below last year's levels.

Thompson Lloyd and Ewart, one of the leading London tea brokers, suggests in its latest market report that it seems improbable that the very favourable climatic conditions last year will be repeated this year.

But the report points out that policy in India indicates an intention to build up stocks to moderate prices for local consumption, and the size of this stock could have a significant effect on world prices this year.

Mrs. Ghandi's unexpected victory in the Karnataka state election, and India's healthy balance of payments, mean that the Indian Government might be tempted to restrict further tea exports in order to reduce domestic prices, which in turn would force up London auction values.

Because of the present restriction on Indian tea exports, and the duty, U.K. blenders are reported to be buying an increasing proportion of their supplies in London.

Average prices so far at around 124p a kilo are well above last year's average at this time of 117p.

But the general impression is that there is unlikely to be the same kind of surge in prices as occurred last year.

Coffee damage 'exaggerated'

BY SUE BRANFORD

SAO PAULO, Feb. 27.

FIRST ESTIMATES of the recent damage to this year's coffee crop caused by bad weather, particularly drought, are proving to be exaggerated.

Sao Paulo state government authorities say the cut in the crop in the state is 19 per cent. bringing it down to 6.8m. bags.

The farmers' federation earlier assessed the damage at 40 per cent. of the expected crop.

Government officials in Parana are sticking to the original damage estimate of 20 per cent. which would bring production down to 4.3m. bags.

There is general agreement that it is too early to assess accurately the full impact.

Some farmers feel confident enough in their assessments to suggest that the figure of 20 per cent. is an exaggeration.

Several farmers have commented that coffee bushes are well known to stand up well to droughts and that a closer figure would thus be about 10 per cent.

Most observers estimate an overall reduction in Brazil's harvest of about 10-15 per cent. with production falling from IBC's December estimate of 20.6m. bags to about 18m.

From Rio de Janeiro, meanwhile, Reuter reports that trade sources expect a reasonable number of export registrations to be made to-day for Brazilian coffee since the present terms to overseas buyers were introduced on February 16.

The sources said buyers who have their purchases registered to-day will get the largest indemnity available so far under the new terms of 24.26 cents a pound for Europe of 22.26 cents for North America, without considering fidelity bonus or price guarantee possibilities.

The indemnity on coffee registered to-day is based on the International Coffee Organisation indicators for February 23, which were the lowest since February 16.

The higher close in New York on Friday means higher indicators and a lower indemnity for those registering to-morrow, they added.

Asian rice project

PARIS, Feb. 27.

A SCHEME costing $54bn. designed to make South and South-East Asian countries self-sufficient in rice in 15 years has been proposed by a group of experts here.

The project is intended to double rice production in these areas to 321m. tonnes a year by 1993. Use of fertiliser will have to rise sharply to more than 14m. tonnes annually from about 2.5m. at present.

The group, known as the Trilateral Commission, includes independent experts from the U.S., Japan and Western Europe.

The draft scheme will go forward to further meetings of experts in Washington and Tokyo before being presented as a working document to world governments in May, commission officials said.

The plan is based on a projected annual increase of 3.4 per cent. in demand for rice in these Asian countries. The area planted with the crop would not be substantially increased but the emphasis would be on improving irrigation.

Breakdown of capital investment for the 15-year project shows $32.5bn. coming from developed countries, $15bn. from developing countries and $6.5bn. from the Organisation of Petroleum Exporting Countries. Reuter

NZ wool shipments decline

By Dai Hayward

WELLINGTON, Feb. 27.

THE EEC has substantially reduced its buying of New Zealand wool.

In the first half of the season, total shipments were down 20.2 per cent.—121,000 bales. Of this, four-fifths of the drop, 98,000 bales, was in shipments to EEC countries. Japan, Iran and the Soviet Union also bought less wool.

The reduced exports reflects the heavy buying by the Wool Marketing Corporation until it dropped its intervention price level last November.

At to-day's Christchurch sale halfbred wools were 2½ per cent. to 5 per cent. dearer compared with the recent Timaru sale, reports Reuter.

...l for U.S. ...ar quotas

...HINGTON, Feb. 27.

...S. INTERNATIONAL ...mmission was urged by ...to recommend the ...n of quotas on sugar

...ssmen Henson Moore ...n Breaux, both from ..., told the ITC that it ...einstitute its quota re-...ation of a year ago. ...nt Carter rejected the ...n of quotas. Instead, ...reed import charges to ...imports.

Grant aids improve marketing in France

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

FRENCH LIVESTOCK marketing represents a complex and confusing picture says the latest report from the Centre of European Studies at Wye College.

But, say authors Professor Pickard and Miss Anne Bullen, certain definite trends are apparent.

By comparison with Britain, French farmers are much smaller and in few cases would be able to do their own marketing on the scale common in the U.K.

That has been recognised by successive French Governments and accounts for the assistance given in the setting up and financing of co-operatives and group systems of production.

The assistance provided comprises not only grants but subsidised credit through the bank Crédit Agricole and Common Market sources where possible.

The Government has been rationalising the system of abattoirs to replace the multiplicity of smaller establishments in the private and municipal sectors in order to provide the basis for a system of meat processing to meet the supermarket outlets common elsewhere in the Community.

The policy appears to be orientated towards export markets to a far greater degree than would be the case in Britain.

Livestock Marketing Systems in EEC countries: France by Prof. David H. Pickard and Miss Anne Bullen, Centre of European Studies, Wye College, Ashford, Kent. Price £4.

...MMODITY MARKET REPORTS AND PRICES

...E METALS

...—Steady in subdued trading on ...Metal Exchange. Forward ...between £626 and £628 through-...rains. In the afternoon Comex ...sishly but then began to gain ...ondon rallied in sympathy ...he movements in sterling and ...ouched £633 before closing on ...£632.5. Turnover 29,775 tonnes.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
	615.5-4	+1.5	618.5-9	+6.75
	626.5-7	+1.5	632-3	+7.75
	614	+1.5	—	.....
	604.5-5	+1	609.5-10.5	+7.5
	617-8	+1.75	622-3	+7.75
	605	+1	—	.....
	—	.....	—	.....

...ated Metal Trading reported ...morning cash wirebars traded ...hree months £628, 27.5, 27, 28.5. ...three months £627.5. Kerb: ...three months £627.5, 27, 27.5. Afternoon: Wirebars, cash £615.5, three months £629, 30, 30.5, 31, 31.5, 32. Kerb: Wirebars, three months £633, 32.

TIN—Firmer with sharp movements in late trading. Although the East was higher over the week-end, sterling considerations took forward metal from £6,080 to £6,040 in early trading. But then the price stabilised on covering and in the afternoon advanced to £6,135 on U.S. and stop-loss buying. The stop-loss buying intensified on the late Kerb taking the price to £6,225 before profit-taking led to a close of £6,190. Turnover, 1,085 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6095-100	+84	6170-80	+120
3 months	6045-55	+72.5	6130-40	+115
Settlem't	6100	+85	—	.....
Standard				
Cash	6095-100	+85	6170-80	+120
3 months	6045-50	+77.5	6130-40	+117
Settlem't	6100	+85	—	.....
Straits E.	$1647	+15	—	.....
New York	—	.....	552.50	+10

Morning: Three months £6,043.5, 44, 44.5. Kerb: Three months £6,045, 44.5. Afternoon: Three months £6,045, 42, 42.5. Kerb: Three months £6,043, 41.5, 41.

LEAD—Higher on short covering and trade buying with a demand for nearby metal narrowing the contango. In the morning forward metal climbed from £284 to £296 but the rise was checked by profit-taking and in the afternoon an easier tendency prevailed taking the price at one stage to £291. The close on the Kerb was £291.75. Turnover 7,350 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	290-1	+14.2	290-1	+13.7
3 months	293.5-4	+12.5	293.5-4	+12
Sett'm'nt	291	+14.5	—	.....
N.Y. Spot	—	.....	—	.....

Morning: Cash £290, 92, 91.5, three months £292, 93, 92.5, 92, 93.5, 94, 96, 95, 94.5, 94. Kerb: Three months £293.5, 94, 92.5, 92. Afternoon: Cash £290, three months £291.5, 90.5, 91, 92, 92.5, 92, 93.5. Kerb: Three months £293.5, 93, 92.

ZINC—Steady, moving in sympathy with lead although trading was thinner. Forward metal rose from £239 to £245 during the morning but then fell back slightly to trade around £243 before closing on the Kerb at £241.5. Turnover, 1,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	242-3	+1.5	239.5-40	+4.5
3 months	244-5	+1.25	242.5-3	+5
S'ment	243	+1.5	—	.....
Prim. West	—	.....	—	.....

* Cents per pound. † On previous unofficial close. ‡ SM per picul.

Morning: Standard, cash £6,095, £6,100, three months £6,050, 40, 50, 45. Kerb: Standard, three months £6,050, 60, 65, 70. Afternoon: Standard, cash £6,150, 55, 60, three months £6,050, 90, £6,100, 10, 15, 20, 25, 30. Kerb: Standard, three months £6,130, 40, 50, 55, 60, 80, 90, £6,200, 10, 20, 25, 20, 10 £6200 £6195.

...ex Limited 01-351 3466. Three month lead 290.0-293.5

...nt Road, London, SW10 0HS

SILVER

Silver was fixed 1.75p an ounce lower for spot delivery in the London bullion market yesterday, at 256.2p. U.S. cent equivalents of the fixing levels were: spot 495.1c., down 7.9c.; three-month 503.7c., down 8.6c.; six month 512.8c., down 8.6c.; and 12-month 533.2c., down 8.6c. The metal opened at 256½-257½p (496-496½c.) and closed at 256.1-257.1p (495-496½c.).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	256.2p	-1.75	256.7p	+1.1
3 months	260.35p	-1.8	261.05p	+1.35
6 months	265.9p	-1.8	—	.....
12 months	277.1p	-1.7	—	.....

LME—Turnover 337 (176) lots of 10,000 ounces. Morning: Cash 256.2; three months 260.3, 60.3, 60.4. Kerbs: Three months 260.3. Afternoon: Cash 256; three months 260.3, 60.3, 61, 1.2, 1.1. Kerbs: Three months 261, 60.9.

COCOA

Continued strength in New York again influenced sentiment until first hand selling and profit-taking contained the rally, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Con'tr't			
March	1709.5-12.0	+58.75	1725.0-1680
May	1584.5-85.0	+42.25	1589.0-58.0
July	1546.0-43.0	+29.50	1556.0-30.0
Sept	1530.0-30.5	+24.25	1539.0-19.0
Dec	1506.0-08.5	+28.75	1509.0-1485
March	1479.0-84.0	+19.00	1485.0-70.0
May	1460.0-78.0	+17.50	1470.0-65.0

Sales: 5,461 (6,725) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price Feb. 24: 130.32 (135.20). Indicator prices Feb. 27: 15-day average 127.27 (127.10); 22-day average 127.94 (128.06).

JUTE

DUNDEE JUTE—Quiet, but firm. Prices c. and f. U.K. for March-April shipment: BWC £297, BWD £258, Tossa BTC £285, BTD £256. Calcutta goods steady. Quotations c. and f. U.K. for Feb. shipment: 10 ounce 40 inch £10.22, 7½ ounce £7.83 per 100 yards. March £10.27, £7.67. April-June £10.32, £7.91. B twills £26.97, £29.39, £30.14 for the respective shipment periods. Yarn and cloth quiet.

COFFEE

On quiet start to week Robustas moved in £30 range with little threat of breakout. Drexel Burnham reports. At close values up to £20 lower. Physicals quiet.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1656.0-1660.0	—25.0	1690-1660
May	1522.0-1525.0	—9.5	1550-1520
July	1438.0-1441.0	—9.0	1460-1437
September	1392.0-1398.0	—14.0	1410-1392
November	1355.0-1360.0	—25.0	1365-1358
January	1325.0-1365.0	—17.5	1339
March	1285.0-1315.0	—17.5	1319

Sales 1,447 (2,422) lots of 5 tonnes.

ICO Indicator prices for Feb. 24 (U.S. cents per pound): Colombian Mild Arabicas 195.00 (191.00); unwashed Arabicas 194.00 (189.00); other mild Arabicas 192.31 (190.99); Robustas 171.00 (172.50). Daily average 182.76 (181.75).

LONDON ARABICAS—Firmed in the afternoon after early weakness. Volume poor reflecting lack of trade interest, reports Drexel Burnham.

Prices—in order, buyer, seller, change, business—April 201.00-02.00; +0.75; 201.00-00.50. June 181.10-81.50; —0.85; nil. Aug. 172.50-72.75; —0.50; 173.00-72.00. Oct. 162.25-62.50; —0.75; 162.50-62.40. Dec. 152.50-52.65; —0.15; 152.75-52.25. Feb. 146.00-49.00; —0.50; nil. Sales 26 (59) lots of 172.50 kilos.

GRAINS

LONDON FUTURES (GAFTA)—Opened 5-10 lower, but old crops under continued pressure particularly barley which at one stage showed losses of 60 points with strong hedge selling. Short-covering in afternoon forced barley back to 30-45 lower on day and closed steady with some support also due to wheat-barley spreaders. Old crop wheat found further stale liquidation and losses of up to 60 points registered, but closed 35-40 lower. New crops mainly suffered in sympathy and with stop-loss selling losses of between 65-100 points by close. Acli reports.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Mar.	82.55	—0.40	70.05	—0.38
May	83.95	—0.35	72.10	—0.45
Sept.	82.00	—0.70	77.15	—0.65
Nov.	84.50	—0.75	79.70	—0.80
Jan.	86.90	—1.00	82.50	—0.70

Business done—Wheat: March 82.75-82.50, May 84.10-83.70, Sept. 82.35-82.10, Nov. 84.80-84.90, Jan. 87.10-87.00. Sales: 185. Barley: March 70.00-69.85, May 72.35-71.75, Sept. 77.25-77.10, Nov. 80.00-79.70, Jan. 82.40. Sales: 95.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent., Feb. and March £86.50 Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent., Feb. £81.75, March £81.25, transhipment East Coast. U.S. Hard Winter ord. unquoted. Australian unquoted. EEC wheat unquoted.

Maize: U.S./French Feb., March £100 transhipment East Coast. S. African Yellow April £68.00. Kenya Grade Three April $120 fob.

Barley—Unquoted.

HGCA—Ex-farm spot prices Feb. 27. Feed wheat: East Suffolk £7.00. Feed barley: East Suffolk £71.60 N.E. Scotland £72.90.

U.K. monetary coefficient for week from March 6 to be 1.334.

Also for week ended Feb. 21. Other milling wheat: U.K. £80.40. Feed wheat: U.K. £75.50. Feed barley: U.K. £70.60. Malting barley: U.K. £79.70.

MARK LANE—Easier with good trade mainly on milling. Nominal values: Milling wheat delivered London area: March £92.50, April £94, May £96, June £97, July £86. Denaturable wheat delivered East Anglia: March £91, April-May-June £84.25, July £87. Feed barley delivered East Anglia: March £73, April £74, May £76, June £76.

EEC IMPORT LEVIES—Effective to-day in order current levy plus March, April, May previous in brackets in units of account per tonne. Common wheat—89.49, nil, nil, 2.41 (same); Durum wheat—114.82, nil, nil, 13.19 (116.94, nil, nil, 12.86); Rye—77.22, nil, nil, 1.34 (same); Barley—80.81, nils (same); Oats—77.48, nils (75.51, 1.98, 1.95, 1.98); Maize (other than hybrid for seeding)—76.62, nil, nil, 0.89 (76.62, nil, nil, 0.89); Millet—90.68, nils (same); Grain sorghum—86.26, nils (82.86, 3.02, 3.02, 2.97). Also for flours: Wheat or mixed wheat and rye flour—136.92 (same); Rye flour—119.73 (same).

RUBBER

SLIGHTLY STEADIER opening on the London physical market. Good interest throughout the day, closing on a steadier note. Lewis and Peat reported that the Malaysian godown price was 205 (206) cents a kilo buyer March.

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
April	48.50-48.85	47.75-48.40	—
May	49.00-49.20	48.30-48.50	48.20
Apr-Jne	49.10-49.15	48.35-48.50	49.10-48.25
Jly-Sep	50.85-50.90	50.40-50.45	50.90-50.00
Oct-Dec	52.25-52.30	51.85-51.90	52.40-51.40
Jan-Mr	53.85-53.75	53.30-53.40	53.75-52.90
Apr-Jne	55.25-55.35	54.60-54.85	55.35
Jly-Sep	56.80-56.85	56.40-56.50	56.85-56.40
Oct-Dec	58.30-58.35	57.95-58.00	58.35-57.55

Sales: 261 (255) lots of 15 tonnes.

Physical closing prices (buyers) were: spot 47p (47.25), March 49p (same), April 49.5p (49.25).

SOYABEAN MEAL

Unchanged to 30p higher in thin volume due to lack of interest. Continent was quiet, SNW Commodities reports.

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
April	105.60-05.7	+0.40	105.90-05.50
June	104.40-04.9	+0.45	104.60-04.50
August	105.50-05.8	+0.35	105.80-05.20
October	106.00-06.1	+0.80	106.50-06.00
December	105.90-06.1	+0.10	—
February	108.00-08.5	.. ..	—
April	106.80-10.9	+0.20	—

Sales: 55 (186) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE for raw sugar £106.00 (£105.00) a tonne cif for Feb.-March shipment. White sugar daily price was fixed at £116.00 (£114.50).

Initial trades were around pre-week-end levels but highs were soon lost with the decline led by March. This position subsequently traded out at £106.00. The level of the LDP and the market closed steady about 30 points below opening quotations, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rday's Close	Previous Close	Business Done
	£ per tonne		
March	—	107.00-07.25	107.75-06.00
May	115.55-15.40	115.80-14.00	114.75 15.25
Aug.	117.80-17.95	118.35-18.40	119.00-17.95
Oct.	120.80-21.00	121.00-21.10	121.50 20.70
Dec.	123.40-23.80	123.50-24.00	124.50 23.00
March	127.50-27.80	127.60-27.80	128.50-26.75
May	129.70-29.85	129.75-30.00	130.25 29.10

Sales: 2,210 (3,176) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £171 (£170) for export.

EEC IMPORT LEVIES—Effective to-day for denatured and non-denatured sugar in units of account per 100 kilos (previous in brackets). White: 24.30 (24.72). Raw: 20.50 (20.63).

WOOL FUTURES

LONDON—Dull and featureless, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
March	226.0-28.0	—1.0	—
May	234.0-36.0	+0.50	—
July	235.0-37.0	.....	—
October	236.0-42.0	.....	—
December	241.0-44.0	.....	—
March	244.0-48.0	+0.50	—
May	244.0-48.0	+0.50	—
July	244.0-48.0	+0.50	—

Sales: 0 (3) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales). Micron Contract: March 338.7, 339.0, 339.0-339.6, 2; May 347.5, 344.0, 344.1-343.0; July 348.0, 348.5, 349.5-348.2; Oct. 351.5, 352.0, 353.0-352.0; Dec. 358.0, 358.5, 359.2-358.0; March 361.0, 361.2, 363.5-361.0; May 364.0, 364.5, 366.5-366.5; July 366.2, 366.5, 366.5-366.5. Sales: 116.

BRADFORD—Generally unchanged for crossbreds and merinos, with business steady. Main movement in tops prices affected 56's quality which moved higher reflecting origin auction results. Increases of two to three pence noted, with prepared qualities also occasionally dearer.

MEAT/VEGETABLES

COVENT GARDEN—(Prices in sterling per package except where otherwise stated)—Imported Produce: Oranges—Spania: Navels 2.80-3.00. Bloods 4.00-5.30; Jaffa: 3.50-3.95; Cyprus: Ovals approx. 16 kilos 54 80s 2.80-3.20; 20 kilos 3.00-3.30; Egyptian Baladi 2.40-2.60; Moroccan: 2.60-2.70. Lemons—Italian: 100 120 3.00-3.20; Cyprus: 2.50-3.00; Spania: 3.00-3.20. Grapefruit—Cyprus: 15 kilos 2.40-2.60, 20 kilos 2.60-3.60; Jaffa: 20 kilos 2.80-3.70. Satsumas—Spania: 3.00-3.70. Mandarins—Spania: 2.60. Apples—French: 40-lb Granny Smith Category I 5.60-6.60, Category II 4.50-5.00, Golden Delicious 4.40-5.00; 20-lb 72 100 Red Delicious 2.50, Stark Crimson 2.80-3.15; jumble pack, per pound, Golden Delicious 0.10-0.14, Granny Smith 0.11-0.13; Italian: Per pound Rome Beauty 0.13, Golden Delicious 0.11-0.12; U.S.: Red Delicious 8.50-9.00; Oregon Newtowns 8.00; Washington: Golden Delicious 7.50; Eastern States: 8.00-8.40; Hungarian: Red Delicious 7.00; Danish: Spartans 0.10-0.11. Pears—Italian: Per pound Passacrassane 0.12-0.13; S. African: Williams Bon Chretien 6.00. Plums—S. African: Gavimas 0.34-0.36, Red Ace 0.25-0.28, Kelsey 0.40. Grapes—Californian Red Emperor per pound 1.36. Bananas—Jamaican: Per pound 0.13. Tomatoes—Per 6 kilos, Canary: 1.50-2.00. Melons—Chilean: Green 9.00, white 7.00; S. African: 5.00; Colombian: 5.00. Cucumbers—Canary: 1.80-1.50; Dutch: 2.40. Cauliflowers—Jersey: 6.20; French: 6.00. Potatoes—Canary: 25 kilos 6.00; Cyprus: 3.50. Celery—Spanish: 18 36s 4.00-4.50. Capsicums—Kenya: Per pound 0.30; Canary: 0.26; Ethiopian: 0.30. Peaches—S. African: 21/24s 2.40-2.80. Grapes—S. African: Ben Hannah 6.50, Alphonse Lavallee 6.50, Waltham Cross 7.00. Onions—Spanish: 2.20-2.80; Dutch: 1.30; Polish: 1.30-1.50. Strawberries—Californian: Approx. 12 oz per punnet 0.90; Israeli: Approx. 8 oz 0.50.

English produce: Potatoes—Per 56-lb, Whites-Reds 1.20-1.60. Lettuce—Per 12, Indoor 1.50-1.70. Cabbage—Per 4-bag Primo 0.60. Beetroot—Per 28-lb 0.90. Carrots—Per bag 28-lb 0.50-1.20. Onions—Per 56-lb 0.60-1.30. Swedes—Per bag, Yorkshire 0.50-0.60, Devon 0.60. Apples—Per pound, Cox's 0.12-0.22, Bramley's 0.11-0.16, Spartans 0.10-0.12, Edward VII 0.12-0.14. Pears—Per pound, Conference 0.10-0.14, Comice 0.16-0.17. Sprouts—Per pound 0.06-0.07. Parsnips—Per 28-lb 1.00-1.20. Turnips — Per 28 lb 0.90-1.00. Rhubarb—Per pound 0.20. Cucumbers—Per tray 12/22s 2.50-3.20.

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 50.0 to 53.0. Ulster hind quarters 61.0 to 63.0, fore quarters 40.0 to 42.0. Eire hindquarters 61.0 to 63.0, fore quarters 41.0 to 43.0.

Veal: English bobbies 25.0 to 34.0. Scotch bobbies 26.0 to 32.0. Dutch hinds and ends 96.0 to 100.0.

Lamb: English small 46.0 to 56.0, heavy 46.0 to 51.0. Scotch heavy 40.0 to 51.0. Imported frozen N.Z. PL new season 45.5 to 46.0, PM new season 44.0 to 45.0.

Pork: English, under 100 lbs 37.0 to 44.0, 100-120 lbs 37.0 to 42.0, 120-160 lbs 38.0 to 41.0.

Hares: English large (each) 150.0 to 190.0.

MEAT COMMISSION—Average fatstock prices at representative markets on Feb. 27. G.B. cattle 64.54p per kg l.w. (+0.65); U.K. sheep 134.3p per kg est. d.c.w. (no change); G.B. pigs 61.6p per kg l.w. (+0.2).

England and Wales—Cattle numbers up 12.3 per cent., average price 64.65p (−0.28); sheep numbers up 30.5 per cent., average price 134.4p (−0.2); pig numbers up 8.1 per cent., average price 61.6p (+0.2).

Scotland—Cattle numbers down 16.4 per cent., average price 63.65p (−1.11); sheep numbers down 16.3 per cent., average price 132.9p (+0.7); pig numbers down 5.5 per cent., average price 63.2p (+0.4).

Also for week ended Feb 25: G.B. cattle 64.08p per kg.l.w. (+0.86); U.K. sheep 134.1p per kg.est.d.c.w. (+1.7); G.B. pigs 62.0p per kg.l.w. (+1.0). England and Wales—Cattle numbers up 4.3 per cent., average 65.06p (+0.94); Sheep up 14 per cent., average 134.2p (+1.7); Pigs up 6.9 per cent., average 82.1p (+1.9). Scotland—Cattle up 9.9 per cent., average 63.54p (+0.77); Sheep up 3.1 per cent., average 132.5p (+2.7); Pigs up 16.4 per cent., average 61.3p (+0.4).

COTTON

COTTON—Liverpool—Spot and shipment sales amounted to 345 tonnes. Fair general demand continued with additional support in African and Turkish qualities. Various types of North and South American cottons remained in sustained request, F. W. Tattersalls reports.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	Feb. 27 1978	+ or —	Month ago
Metals			
Aluminium	£680	.....	£680
Free Market (cts)	$-50-60	.....	$965
Copper cash W. Bars	£618.75	+6.75	£630
3 months do. do.	£632.5	+7.75	£643.75
Cash Cathode	£610	+7.5	£619.75
3 months do. do.	£622.5	+7.75	£633.5
Gold Troy oz.	$181.125	+0.75	$175.125
Lead Cash	£290.5	+13.75	£317
3 months	£293.75	+12.0	£322.75
Nickel	.....	.....	
Free Market (c/lb)	$1.84-.02	+0.05	$1.83-.86
Platinum troy oz.	£106.5	.....	£96
Free Market	£116.5	—1.55	£111.6
Quicksilver (76lb.)	$123.28	—2.0	$136
Silver Troy oz.	256.2p	—1.75	254.2p
3 months	260.35p	—1.9	258.2p
Tin Cash	£6,175	+120	£6,185
3 months	£6,135	+117.5	£6,095
Wolfram 22.06lb cif	$139.46	.....	$156.5
Zinc cash	£239.75	+4.5	£255
3 months	£242.75	+5.0	£260.25
Producers	$550	.....	$600
Oils			
Coconut (Phil)	$600r	+5.0	$560
Groundnut	£601	.....	£619
Linseed Crude (r)	$297	.....	$266
Palm Malayan	$546z	—10.0	$495
Seeds			
Copra Philip	$415u	.....	$387.5
Soyabean (U.S.)	$246.8z	—0.5	$258.4
Grains			
Barley EEC			
Home Futures	£70.05	—0.7	£73.55
Maize			
French No. 3 Am	£100s	.....	£97.5
Wheat			
No. 1 Red Spring	£86.5s	+0.5	£84.75
No. 2 Hard Winter		.....	
English Milling	£94v	.....	£94.5
Cocoa Shipment	£1,655	+35.0	£1,578
Future May	£1,584.7	+42.25	£1,488
Coffee Futures			
May	£1,523.5	—9.5	£1,753.5
Cotton 'A' Index	67.05c	+0.2	65.05c
Jute U.I. ABC	$437	.....	$437
Rubber kilo	47p	—0.25	46.5p
Sisal E. Afr.	$525-45	.....	$560-70
Sugar (Raw)	£105	.....	£110
Wooltops 64s kilo	271p	.....	267p

Nominal. ‡ Unquoted. a Seller's quotation. c Cents a pound. p Ex-tank London-Hull. q April. s Feb.-March. t March-April. u Feb.-April. w March. v April-May. * May. z Per ton.

INDICES

FINANCIAL TIMES

Feb. 27	Feb. 24	Month ago	Year ago
225.22	224.44	229.77	279.31

(Base: July 1, 1952=100)

REUTER'S

Feb. 27	Feb. 24	Month ago	Year ago
1378.9	1379.9	1399.5	1669.0

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Feb. 27	Feb. 24	Month ago	Year ago
Spot	351.60	350.72	345.27	416.84
Future	332.80	333.27	330.02	405.42

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 27	Feb. 24	Month ago	Year ago
Staple Commodity	889.8	894.1	884.3	928.3

(December 31, 1931=100)

LONDON PALM OIL—March 280.00-315.00, April 297.00-312.00, May 290.00-306.00, June 277.00-285.00, July 275.00-280.00, August, Sept., Oct., Dec. 265.00-272.00.

★

GRIMSBY FISH—Supply good, demand fair (prices at ship's side unprocessed per stone): Shelf cod £3.50-£4.30; codlings £2.60-£3.60; large haddock £4.00-£4.50, medium £3.00-£3.50, small £2.10-£2.70; large plaice £2.40-£3.00, medium £2.40-£2.60, best small £2.50-£3.00; skinned dogfish medium £7.50, saithe £1.75-£1.90.

U.S. Markets

Soyabeans and coffee lower

NEW YORK, Feb. 27.

COFFEE finished lower on lack of roaster interest coupled with trade selling. Cocoa finished higher on Commission House buying electing stop loss. Soyabeans finished lower on commercial selling. Copper closed slightly higher on mainly lack of selling interest. Precious metals held steady in quiet conditions with light speculative buying, Bache reports.

Cocoa—March 148.50 (145.00), May 138.10 (134.55), July 134.40, Sept. 131.60, Dec. 126.85, March 126.75, May 125.00, July 123.45. Sales: 1,795.

Coffee—"C" Contract: March 165.00 (156.50), May 162.75-163.00 (164.50), July 149.50-149.75, Sept. 144.25-144.50, Dec. 132.00, March 125.50-129.00, May 125.50-125.00, July 123.00-124.00. Sales: 577.

Copper—March 55.40 (55.10), April 56.00 (55.70), May 56.50, July 57.50, Sept. 59.50, Dec. 60.00, Jan. 60.50, March 61.50, May 62.50, July 63.50, Sept. 64.50, Dec. 66.00, Jan. 66.50. Sales: 4,400.

Cotton—No. 2: March 55.10-55.20 (55.37), May 56.80-56.85 (56.97), July 57.72, Oct. 58.95-59.00, Dec. 59.55, March 60.55, May 60.90-61.25, July 61.10-61.60. Sales: 225,000 bales.

*Gold—March 181.40 (180.20), April 182.70 (181.50), May 184.00, June 185.30, Aug. 187.90, Oct. 190.50, Dec. 193.20, Feb. 195.90, April 198.60, June 201.90, Aug. 204.90, Oct. 207.90, Dec. 210.90. Sales: 5,500.

†Lard—Chicago loose 21.50 (21.25). New York prime steam 23.00 traded (22.75).

‡Maize—March 224½-225 (226½), May 229½-228 (230½), July 229-228½, Sept. 226, Dec. 227½-227½, March 235½.

§Platinum—April 229.80-230.30 (229.70), July 232.50-234.40 (232.60), Oct. 237.50, Jan. 242.00-241.20, April 246.00-242.20, July 250.40-250.60. Sales: 3,935.

*Silver—March 494.40 (493.00), April 495.50 (496.00), May 501.70, July 509.00, Sept. 516.40, Dec. 527.90, Jan. 531.70, March 539.40, May 547.10, July 554.90, Sept. 562.70, Dec. 574.40, Jan. 578.40. Sales 12,000. Handy and Harman spot 494.90 (492.00).

Soyabeans—March 579½-580 (585½), May 588½-586½ (595½), July 594½-594½, Aug. 593, Sept. 585½, Nov. 581½, Jan. 590½, March 598.

Soyabean Meal—March 150.50-150.70 (151.80), May 155.00-155.10 (155.70), July 157.70, Aug. 159.00, Sept. 158.00-158.20, Oct. 157.20-157.50, Dec. 159.00-158.50, Jan. 160.00-160.50, March 163.00-164.00.

Soyabean Oil—March 21.75-21.82 (22.19), May 21.69-21.75 (22.06), July 21.62-21.66, Aug. 21.60-21.55, Sept. 21.15, Oct. 20.50-20.75, Dec. 20.60, Jan. 20.55-20.50, March 20.50-20.60.

Sugar—No. 11: March 8.58-8.54 (8.59), May 8.90-8.91 (9.00), July 9.17-9.18, Sept. 9.37, Oct. 9.49, Jan. 9.75-9.90, March 10.20, May 10.39-10.44, July 10.57-10.65. Sales: 3,400.

Tin—545.00-560.00 asked (540.00-545.00 asked).

**Wheat—March 253½-254½ (256½), May 261-260½ (263½), July 263½-264, Sept. 267½, Dec. 275½, March 282½.

WINNIPEG, Feb. 27. ††Rye—May 106.10 (107.20 bid), July 105.00 bid (103.50 asked), Oct. 105.60 asked, Nov 106.00.

†Oats—May 76.90 bid (76.90), July 77.90 asked (72.90 bid), Oct. 72.50 nom.

‡‡Barley—May 73.60 bid (73.70), July 77.90 (75.10 bid), Oct. 77.50 bid.

§§Flaxseed—May 218.50 bid (220.00 bid), July 220.50 asked (224.00 asked), Oct. 224.50 asked, Nov. 225.00.

**Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 149.73 (150.83).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

STOCK EXCHANGE REPORT

Markets react to conflicting North Sea reports

Index 2.4 down at 441.8 after 436.8—Short Gilts resilient

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 30	Feb. 9	Feb. 10	Feb. 21
Feb. 13	Feb. 23	Feb. 24	Mar. 7
Feb. 27	Mar. 9	Mar. 10	Mar. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A report from the Scottish Council estimating that the U.K. economy could benefit from North Sea oil to the extent of £4bn. over the next two years and by £120bn. to £160bn. over the next 20 years helped to steady stock markets at the start of a new account yesterday.

Both equities and British Funds had shown marked weakness prior to the report, having opened sharply lower following week-end Press comment pointing to a halving of the expected contribution to revenue from the area in 1978-79. Leading shares had already rallied a shade ahead of the more optimistic North Sea assessment which was announced in the late morning, and prices edged harder throughout the day with the help of "cheap" buying.

The FT 30-share index was at its lowest of the day at 10 a.m. with a drop of 7.4 mostly reflecting defensive marking down by jobbers; the index picked up a little on each succeeding calculation and ended at 441.8 with the net loss reduced to 2.4, nearly a third of which represented dividend payments on ICI and Grand Metropolitan.

Scattered firm features developed on week-end Press recommendations and on one or two pleasing company news items, but losses outnumbered rises in all FT-quoted industrials by 7-to-2. Official markings amounted to 5,943 compared with last Friday's 5,175 and the week-ago 4,204. Widespread falls were recorded in the FT-Actuaries indices, but Composite Insurances stood out with a rise of 1.2 per cent. to 121.63 with sentiment helped by Commercial Union's figures.

Short Gilts rally late

Week-end Press pessimism over a decline in potential North Sea oil benefits together with a gloomy American prediction of the U.K. economy ensured dullness again for British Funds. Longer maturities opened easier and the immediate efforts of sellers soon forced dealers to mark down quotations further until losses of a full point were being faced. These levels subsequently appeared unattractive to would-be offerors and they withdrew leaving the market to settle at ½ or so above the lowest. The shorts were similarly reactionary but support was eventually forthcoming on the view that the terms of the new tap Exchequer 8¼ per cent 1983, announced late last Friday, would encourage a sizeable application, particularly from the building societies. A good recovery ensued which continued after the official close of trading and at that time the losses, of ½ initially, were only of marginal proportions. In Corporations, a fall of 1½ points to 31½ in the Kensington and Chelsea 11½ per cent. 1985-1987 recently-issued scrip, in £30-paid form, contrasted vividly with general losses of ½.

Early easiness in the investment currency market soon cleared and on sustained institutional demand the premium rose from 83½ to close at the day's best of 87¾ per cent. for a net rise of 3¾ points. The buying, which reflected the need to acquire premium for investment in U.S. securities, readily absorbed arbitrage offerings and it subsequently impinged on a market short of supplies. Yesterday's S.E. conversion factor was 0.7215 (0.7261).

C.U. please

The much better-than-expected fourth-quarter profits from Commercial Union attracted more interest to Composite Insurances which closed mixed; steady at around 138p in front of the results, CU touched 144p on them and closed 5 up at 143p, while General Accident, hoping for a similar performance when they report annual figures to-morrow, moved up 4 to 206p. Eagle Star edged forward a penny to 133p but Royals which announce results on Thursday, closed unaltered at 350p. Sun Alliance ended 2 cheaper at 314p. Among Brokers, Sedgwick Forbes held firm at 320p in front of to-day's preliminary results but Christopher Moran gave up 3 to 59p.

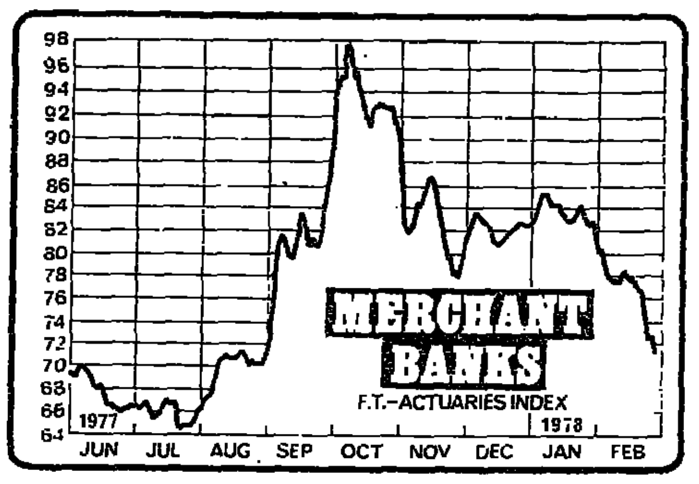
With the exception of NatWest which eased a couple of pence to 254p in front of to-day's results, home Banks failed to move from their pre-week-end levels. Elsewhere, Hongkong and Shanghai found support in front of to-day's annual results and rose 9 to 266p. In Merchant banks, Hambros, still concerned about its substantial shipping interests, reacted 8 to 160p, Guinness Peat lost 9 to 185p.

Breweries had little to commend them. A. Guinness fell 4 to 156p, while Matthew Brown lost a like amount at 100p. Distillers lost ground, Irish falling 4 to 113p and A. Bell 6 to 196p. Glenlivet closed without alteration at 101p ex the scrip issue.

Buildings made a drab showing. Robert M. Douglas were a late casualty, falling 5½ to 89½p in response to the disappointing first-half figures, while losses of 6 and 8 respectively were seen in Taylor Woodrow, 346p, and Richard Costain, 240p. Marchwiel receded 5½ to 230p xd and May and Hassell declined 5 to 62p. William Whittingham, on the other hand, moved up 3 to 35p.

A fair amount of early activity in ICI saw the shares react to 325p before rallying to close the day a net 2½ cheaper at 329p xd. Elsewhere in Chemicals, Fisons attracted buyers at 358p, up 8: the preliminary results are due next Monday.

Stores were again mainly notable for marked weakness in Jewellery stocks. Fresh persistent selling in an unwilling market prompted further falls of 8 and 11 respectively in Ratners, 87p, and H. Samuel A, 237p, while James Walker declined 6 to 64p with the N/V down 5 more at 62p. Dull last week in response to adverse comment, Mail Orders took a modest turn for the better with Grattan Warehouses rallying 3 to 112p and Empire hardening 2 to 138p, while Gussies A picked up from 252p to close 2 up at 258p.



Down to 237p at one stage, GEC recovered to close only 2 cheaper on balance at 243p, while EMI ended without alteration at 165p, after 163p; the latter's interim results are due on Thursday. Falls, however, were fairly widespread outside of the leaders. MK Electric, 146p, and Muirhead, 162p, gave up 6 apiece, while losses of around 4 were recorded in Ever Ready, 149p, and F. W. Thorpe, 32p.

Engineering majors picked up in places and closed with mixed movements on balance. Tubes eased to 362p initially before settling at 368p for a net rise of 2 and GKN ended similarly better at 266p, after 262p. On the other hand, John Brown finished at the day's lowest with a loss of 5 at 285p along with Vickers, which gave up 4 to 177p. Elsewhere, the trend was lower, but Charles Baynes featured with a rise of 11 to 80p in response to the results and proposed 400 per cent. scrip issue. Other bright spots included Ransomes Sims, which reacted to 125p awaiting the preliminary figures, but recovered smartly on them to end with a net rise of 7 at 140p, while favourable week-end Press mention left Birmingham Pallet a similar amount higher at 85p, and F. Pratt 3 dearer at 71p. In contrast, falls of 5 were sustained by APV, 180p, Adwest, 225p, and Clayton Son, 65p, while Matthew Hall lost 4 to 170p and Mining Supplies 3 to 54p. Shipbuilders encountered fresh selling, Vosper falling 10 more to 150p and Yarrow 5 further to 265p.

Following the announcement that the Government is to propose a maximum price for tea, Cadbury Schweppes eased a penny to 49½p and J. Lyons 3 to 90p. Elsewhere in Foods, J. Bibby remained weak and lost 6 more at 182p. Similar losses were seen in Associated Dairies, 208p, and Rowntree Mackintosh, 345p, while British Sugar were lowered 10 to 425p. J. B. Eastwood at 83p, gave up 3 of Friday's gain of 4. Northern Foods were called 3 easier at 74p ex the scrip issue. Supermarkets remained dull, Hillards losing 2 to 175p and Kwik Save 3 to 80p.

Savoy Hotel "A", a recent speculative favourite, fell 4 to 66p, while Grand Metropolitan closed 1½ easier at 88p xd and Trust Houses Forte 6 off at 166p. Still reflecting the prospect of an increase in betting duty rates, Ladbroke declined 5 to 162p for a two-day loss of 12.

Reed Int. up late

A nervous and erratic market of late awaiting yesterday's trading statement from its troubled Canadian subsidiary, Reed International, steadied to end 2 up at 109p after having been 105p immediately in front of the announcement. Other miscellaneous industrial leaders closed easier, but above the day's lowest. Reckitt and Colman lost 10 to 396p and Turner and Newall declined 3 to 193p, after 191p; the latter's preliminary results are due on Thursday. Boots displayed resilience and picked up from 181p to finish a penny better at 185p. Secondary issues were generally dull but Harcourt Irish became an exception at 38½p, up a further 13½p following renewed demand in a restricted market. Down 15 last week on nervous selling in front of the interim results, Campari picked up a penny to 100p in active trading in response to the half-year figures and accompanying statement. Evode Holdings cheapened 4 to 68p following the chairman's uninspiring annual statement and, still reflecting last week's disappointing third-quarter figures, Johnson Matthey shed 5 more to 375p. Whatman Reeve Angel lost 8 to 222p as did H. Brammer, 116p, and Carlton Industries, 158p.

Motors and Distributors presented a drab appearance, closing widely lower on small selling in an unwilling market. Armstrong Equipment shed 3½ to 33½p, while Dowty, 165p, and Turner Manufacturing, 100p, both closed 3 cheaper. Lucas Industries, however, closed only a penny cheaper at 249p, after 247p.

North Sea oil-orientated Newspapers gave further ground following week-end comment on North Sea oil reserves. Daily Mail A shed 7 to 278p, while Thomson, 186p, and Associated, 135p, declined 4 apiece. Elsewhere, Associated Book Publishers fell 10 to 178p but London Provincial Poster edged 3 higher to 180p on Press comment.

Oils give ground

Week-end comment casting doubts about the Treasury's projected benefits from North Sea oil made for fresh dullness in Oils. Small selling and lack of support was evident throughout the sector and British Petroleum eased to a new 1977-78 "low" of 746p before settling at 748p for a loss of 6 on the day. Shell ended a few pence off at 496p, but Royal Dutch contrasted with a rise of ½ to £40½, reflecting dollar premium influences. Among the speculative issues, Lasmo fell 8 to 240p and the "OPs" 13 to 307p, while Siebens (U.K.) reacted sharply to 244p, down 14p, after last Friday's advance on rumours of a bid from the parent company. Ultramar eased 4 to 196p and Burmah 2 to 47p.

Sporadic selling left its mark on some Properties but most leaders ended without alteration after early losses of a penny or so. MEPC eased to 113p initially, but picked up to close unchanged on the day at 115p. Clarke Nickolls were on offer at 80p, down 6, while Property and Reversionary "A", 298p, and Warnford, 283p, gave up 5 apiece. Haslemere were 4 cheaper at 219p.

Jamaica Sugar, a dull market of late, revived with a jump of 4½ to 14p on the chairman's statement that compensation terms for the takeover by the Government-owned National Sugar Company of the company's sugar estates should soon be finalised. Elsewhere in Overseas Traders, Gill and Duffus fell 10 to 190p and James Finlay 13 to 260p.

Investment Trusts drifted lower on small public sales. Capital shares led the way and losses of 5 were seen in Rosedimond, 48p, and Altifund, 129p, while Triplevest fell 4 to 112p. Elsewhere, Harcros Investment finished marginally better at 27p ex the scrip issue. In Financials, Armour Trust were active and 1¼ harder at 7½p, after 8p, reflecting the substantially improved interim figures. Small buying in a thin market left Kakuzi 10 higher at 100p, but Fashion and General fell 10 to 115p on further consideration of the company's shipping investments.

After last week's marked weakness, Shippings were in better form despite fresh publicity on the industry's problems following news that BP is laying up five large tankers. Furness Withy finished a penny better at 247p, after 245p, while P. and O. Deferred, 96p, and Ocean Transport, 122p, both closed without alteration. Elsewhere, Milford Docks fell 3 to 71p.

Textiles contributed their share of dull spots and Tomkinsons fell 4 to 53p, while Dawson International, 99p, and Parkland A, 59p, both shed 3. Scott and Robertson continued firmly, rising 2 to 40p for a two-day gain of 12 since the bid approach.

Golds up on balance

After a day of mild fluctuations South African Golds closed on a firm note, mainly reflecting the improvement in the investment currency premium, with the Gold Mines index 1.0 higher at 158.3.

The erratic course of the bullion price, which was finally 75 cents better at $181.125 per ounce, in front of to-morrow's International Monetary Fund gold auction, caused minor movements either way in share prices until U.S. buying emerged in the after hours business and established a definite trend.

The U.S. demand, however, was by no means heavy and with the exception of Randfontein, ¾ better at £33¾, heavyweights generally closed only ¼ higher as in Vaal Reefs, £12¼, Free State Geduld, £14¼ and West Driefontein, £18¾.

Among medium-priced Golds, Winkelhaak put on 12 to a 1977-78 high of 692p, while Western Deep rose a similar amount to 722p. On the other hand adverse Press comment left St. Helena 21 lower at 776p.

South African Financials were quietly steady but did not fully reflect the higher premium. De Beers closed a penny better on balance at 318p, after 316p, and were also the subject of U.S. interest.

Australians recovered initial losses to close barely changed on balance. Pancontinental were an exception and closed 30 higher at 825p in response to their good performance in overnight domestic markets.

FINANCIAL TIMES STOCK INDICES

	Feb. 27	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Year ago
Government Secs.	74.20	74.71	75.09	74.75	74.97	74.73	[illegible]
Fixed Interest	77.54	77.63	77.67	77.81	77.81	77.72	[illegible]
Industrial Ordinary	441.8	444.2	445.5	449.9	[illegible]	[illegible]	[illegible]
Gold Mines	159.3	158.5	157.1	157.9	160.0	160.2	[illegible]
Ord. Div. Yield	6.08	6.02	6.00	5.94	5.88	[illegible]	[illegible]
Earnings Yld% (full)	18.03	17.93	18.01	17.84	17.95	17.68	[illegible]
P/E Ratio (net) (*)	7.79	7.83	7.83	7.90	7.86	7.87	[illegible]
Dealings marked	5,943	5,175	5,387	5,227	4,762	4,204	[illegible]
Equity turnover £m.	—	77.87	96.35	68.95	46.06	[illegible]	[illegible]
Equity bargains total	—	12,822	12,574	12,644	11,349	10,107	[illegible]

10 a.m. 436.8. 11 a.m. 437.4. Noon 438.4. 1 p.m. 440.1. 2 p.m. 439.9. 3 p.m. 440.4.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.71.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.85 (30/9)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	549.2 (14/9)	357.6 (13/1)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	174.5 (18/10)	95.1 (1/2)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 27	Feb. 24
—Daily		
Gilt-Edged	185.4	[illegible]
Industries	212.8	[illegible]
Speculative	40.3	[illegible]
Totals	135.2	[illegible]
5-day Average		
Gilt-Edged	188.2	[illegible]
Industrials	179.7	[illegible]
Speculative	42.9	[illegible]
Totals	129.9	[illegible]

OPTIONS TRADED

DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 21	Mar. 6	May 25	Jun. 7
Mar. 7	Mar. 20	Jun. 8	Jun. 21
Mar. 21	Apr. 10	Jun. 22	July 5

Money was given for the call of UDT, Burton A, Cons. Gold Fields, Town and City Properties, P & O Deferred, Charterhall, Campari, S. Lebon (Fobel), John Laing, Fitch Lovell, BP, Talbex, Westland, Coral Leisure, Capper-Neill, Reed International, Elliott Group, Sekers International, H. Wigfall, Inveresk, Staflex International, Orme Developments, Burmah Oil, British [illegible], Lonrho, Metalrax, Kwik-Fit [illegible], Country and New Town Properties. Puts were dealt in J. [illegible], Associated Dairies, H. Samuel A, Electrocomponents, Allied Retailers, Ladies Pride, [illegible] Whitley, Booker McConnell, Henlys, Mills and Allen, [illegible] Simpson A, Vernon Fashion, Camford Engineering and Turner and Newall, while doubles were arranged in Charterhall, [illegible] Heath, Britannia Arrow, British Land, Rio Tinto-Zinc, Mills and Allen and Sellincourt. A short-dated double was transacted in Ultramar.

NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

NEW HIGHS (11)

BANKS (1)
Deutsche Bank

BEERS (1)
Morland

BUILDINGS (1)
Whittingham (W.)

STORES (1)
Knott Mill

ENGINEERING (1)
Birmingham Pallet

INDUSTRIALS (1)
Amalg. Metal

TEXTILES (1)
Scott & Robertson

RUBBERS (1)
Malakoff

TEAS (1)
Blantyre

MINES (2)
Winkelhaak F. S. Geduld

NEW LOWS (18)

AMERICANS (1)
Chrysler

CANADIANS (1)
Hawker Siddeley Can.

BUILDINGS (1)
J.C.E.G.

CHEMICALS (1)
Yorkshire Chemicals

ELECTRICALS (1)
EMI

ENGINEERING (1)
Firth (G. M.)

INDUSTRIALS (3)
Dufay Bitumastic Martin-Black
Imp. Cont. Gas

SHIPPING (3)
P & O Deferred Reardon Smith A
Reardon Smith

TEXTILES (1)
Youghal

TRUSTS (1)
Lampa Securities

OILS (2)
BP LASMO 'ops'

OVERSEAS TRADERS (1)
Ocean Wilsons

MINES (1)
Messina

Rises and Falls yesterday

	Up	Down	Same
British Funds	1	66	[illegible]
Corps. Dom. and Foreign Bonds	2	24	[illegible]
Industrials	199	736	[illegible]
Financial and Prop.	53	269	[illegible]
Oils	2	18	[illegible]
Plantation	5	6	[illegible]
Mines	41	32	[illegible]
Recent Issues	6	16	[illegible]
Totals	308	1,159	[illegible]

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ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977-78 high	1977-78 low
BP	£1	13	748	−6	966	746
Grand Met	50p	11	88†	−1½	100	62
Boots	25p	9	185	+1	244	115
De Beers Defd.	R0.05	9	318	+1	324	188
Shell Transport	25p	9	496	−2	635	454
BATs Defd.	25p	8	230	—	260	202
Beecham	25p	8	610	−3	693	372
ICI	£1	8	329†	−2½	446	325
Campari	20p	7	100	+1	132	25
Distillers	50p	7	165	−1	193	120
GEC	25p	7	243	−2	284	183
P & O Defd.	£1	7	96	—	175	95
Plessey	50p	7	89	+1	117	62
Rank Org.	25p	7	252	—	276	128
Thorn Elect.	25p	7	340	−2	448	196

† Ex-dividend.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Feb. 27, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 34%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Fri. Feb. 24 Index No.	Thurs. Feb. 23 Index No.	Wed. Feb. 22 Index No.	Tues. Feb. 21 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (71)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio TV (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS (NON-DURABLE) (176)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (38)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (97)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Miscellaneous (55)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (495)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (100)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (31)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (673)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Mon. Feb. 27	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Mon. Feb. 27	Fri. Feb. 24	Year ago (approx.)
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Monday, Feb. 27 Index No.	Yield %	Friday Feb. 24	Thurs. Feb. 23	Wed. Feb. 22	Tues. Feb. 21	Monday Feb. 20	Friday Feb. 17	Thurs. Feb. 16	Year ago (approx.)
15	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 22p.

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn Tst.	$HK289.90	.....		3.40
Jardine Jpn. Fd.*	$HK279.68			1.00
Jardine S.E.A.	$US11.74	....		2.60
Jardine Flem. Int.*	$HK8.93	...		—

NAV Jan. 31 *Equivalent $US80.54 Next sub. Feb. 28

Kemp-Gee Management Jersey Ltd.

1, Charing Cross, St. Helier, Jersey. 0534 73741

Kemp-Gee Capital	82.2	84.8		—
Kemp-Gee Income	64.6	66.6		8.00

Warburg Invest. Mngt. Jrsy. Ltd.

1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Feb. 23	$US12.37	12.69	+0.61	—
CMT Ltd. Feb. 23	£12.62	12.95	+1.18	—
Metals Tst. Feb. 16	£10.93	11.20		—
TMT Feb. 9	$US9.26	9.50		—
TMT Ltd. Feb. 9	9.13	9.37		—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

Worldwide Gth Fd.	$US12.75	....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex subdivision.

BASE LENDING RATES

...ank	6½%	■ Hill Samuel	§ 6½%
...ish Banks Ltd.	6½%	C. Hoare & Co.	† 6½%
...Express Bk.	6½%	Julian S. Hodge	7½%
...nk	6½%	Hongkong & Shanghai	6½%
...k Ltd.	6½%	Industrial Bk. of Scot.	6½%
...nsbacher	6½%	Keyser Ullmann	6½%
...e Bilbao	6½%	Knowsley & Co. Ltd.	9 %
...Credit & Cmce.	6½%	Lloyds Bank	6½%
...Cyprus	6½%	London & European	8½%
...N.S.W.	6½%	London Mercantile	6½%
...Belge Ltd.	6½%	Midland Bank	6½%
...du Rhone	7 %	■ Samuel Montagu	6½%
...Bank	6½%	■ Morgan Grenfell	6½%
...Christie Ltd.	8½%	National Westminster	6½%
...Holdings Ltd.	7½%	Norwich General Trust	6½%
...k of Mid. East	6½%	P. S. Refson & Co.	6½%
...hipley	6½%	Rossminster Accept'cs	6½%
...Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
...& C Fin. Ltd.	9 %	Schlesinger Limited	8½%
...td.	7 %	E. S. Schwab	8½%
...oldings	8 %	Security Trust Co. Ltd.	7½%
...ouse Japhet	6½%	Shenley Trust	9½%
...ates	7½%	Standard Chartered	6½%
...ated Credits	6½%	Trade Dev. Bank	6½%
...tive Bank	* 6½%	Trustee Savings Bank	6½%
...n Securities	6½%	Twentieth Century Bk.	7½%
...yonnais	6½%	United Bank of Kuwait	6½%
...us Popular Bk.	6½%	Whiteaway Laidlaw	7 %
...Lawrie	6½%	Williams & Glyn's	6½%
...ust	6½%	Yorkshire Bank	6½%
...Transcont.	8 %		
...ndon Secs.	6½%		
...t. Fin. Corpn.	8½%		
...t. Secs. Ltd.	8 %		
...Gibbs	6½%		
...nd Guaranty	6½%		
...s Bank	† 6½%		
...Mahon	6½%		
...Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

CORAL INDEX: Close 438-443

INSURANCE BASE RATES

† Property Growth 7½%
† Vanbrugh Guaranteed 7.25%
† Address shown under Insurance and Property Bond Table

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
104¼	97⅞	Treasury 10½pc '78‡	101⅛	[illegible]	10.33	5.91
100⅛	90	Exch 5pc '76-78‡‡	99 xd	−⅛	5.04	6.45
107	95	Treasury 11½pc '79‡‡	104 xd	[illegible]	11.02	7.04
97¼	84	Treasury 3pc '79‡‡	95 xd	[illegible]	3.10	5.12
98¼	85½	Electric 4¼pc '74-79	97 xd	[illegible]	4.35	5.85
106	92	Treasury 10½pc '79‡‡	103	[illegible]	10.14	8.19
97½	84	Electric 3½pc '76-79	95	[illegible]	3.65	6.06
107	87¼	Treasury 9pc 1980‡‡	101 xd		8.83	7.97
105¾	88	Treasury 9½pc '80‡‡	101¼		9.34	8.61
96	82	Treasury 3½pc '77-80	94	[illegible]	3.72	6.34
98¼	83	Funding 5¼pc '78-80‡‡	95½	[illegible]	5.50	7.41
112	96	Exchequer 13pc 1980‡‡	107	[illegible]	12.04	9.61
108	92	Treasury 11½pc 1981‡‡	104½	[illegible]	11.00	9.65
94½	77	Treasury 3½pc 1979-81	90	[illegible]	3.86	7.06
104	86	Treasury 9¾pc 1981‡‡	100 xd	[illegible]	9.67	9.43
97	95¼	Exch 8¼pc 1981	96½	[illegible]	8.55	9.50
103	97½	Exch 9¾pc 1981	99⅞	[illegible]	9.51	9.55
92	87½	Exch 3pc 1981	87¾		3.42	7.03
93	96	Treas Variable '81‡‡	96¾	[illegible]	6.60	7.48
113	96½	[illegible]	103		11.71	9.85
100	82	[illegible]	97¼		8.74	9.25
93	71	[illegible]	85	[illegible]	3.53	7.19
119	101	Treasury 14pc '82‡‡	113 xd	−	12.57	9.97
98½	95	Treas Variable '82	95		6.73	7.53
98	93	Treasury 8½pc '82	95	[illegible]	8.66	9.53
102	93	Exch 9½pc 1982	98	[illegible]	9.42	9.72
87½	81	Exch 3pc '83	82	[illegible]	3.63	7.18
—	—	Exch 9½pc 1983	96		9.97	9.55

Five to Fifteen Years

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
114¼	95½	Treasury 12pc 1983‡‡	107	[illegible]	11.16	10.36
101	95¼	Treasury 9½pc '83	99	[illegible]	9.53	9.99
95½	72	Funding 5½pc '82-84‡‡	85	[illegible]	6.47	9.35
100¾	77	Treasury 8½pc '84-86‡‡	93	[illegible]	9.33	9.93
87	66	Funding 6½pc '85-87‡‡	83	[illegible]	7.95	9.55
94	66½	Treasury 7¾pc '85-88‡‡	85½	[illegible]	9.13	10.29
74	49	Transport 3pc '78-88	64	[illegible]	4.72	8.33
76¼	53	Treasury 5pc '86-89	70½	[illegible]	7.32	9.58
121¼	90	Treasury 13pc 1990‡‡	109¼	[illegible]	12.07	11.77
94¾	67	Treasury 8¼pc '87-90‡‡	84½	[illegible]	9.93	10.76
112	88¼	Treasury 11¾pc 1991	100½	[illegible]	11.88	11.90

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

AMERICANS—Continued

S.E. List Premium 38¼% (based on $1.9306 per £)

Conversion factor 0.7215 (0.7261)

CANADIANS

S.E. List Premium 38¼% (based on $2.1545 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1977-78 High	Low	Stock	Price	+or —	Div. Net	Cvr	Y'ld Gr's
198	70	Falcon Rh.50c	195	-3	Q50c	1.3	23.8
24	9	Rhod'n Corp. 16½p	21	.....	0.57	4.3	4.1
165	52	Roan Cons. K4	73	.....	—	—	—
164	115	Tanganyika 50p	126	-2	Q11.0	1.1	8.7
80	70	Do. Pref. 80p	78	.....	Q9%	16.4	9.2
42	27	Wankie Col. Rh.1	38	.....	Q7½c	1.4	16.8
27½	10	Zam.Cpr.SBD0.24	10½	.....	—	—	—

AUSTRALIAN

High	Low	Stock	Price	+or —	Div. Net	Cvr	Y'ld Gr's
20	10	Acmex 25c	11	.....	—	—	—
127	57	Bougainville 50Toea	81	.....	Q8c	1.5	6.2
128	67	BH South 50c	68	+1	—	—	—
325	119	Conzinc Riotinto 50c	154	+2	Q10c	φ	4.1
72	18	G.M. Kalgoorlie $1	70	+1	—	—	—
112	77	Hamptn Areas 5p	88	-1	1.45	4.1	2.5
35	10	Metals Ex. 50c	13	.....	—	—	—
242	125	M.I.M. Hldgs. 50c	127	-2	Q9c	1.7	4.4
105	10	Mount Lyell 25c	17	.....	—	—	—
2¾	1	Newmetal 10c	2	.....	—	—	—
120	79	North B. Hill 50c	85	+1	Q8c	1.5	5.8
12	4½	Nth. Kalgurli	11	+½	—	—	—
147	87	Oakbridge $A1	135	+1	†Q11c	1.9	5.1
55	20	Pacific Copper	33	.....	—	—	—
£13	575	Pancont'l 25c	825	+50	—	—	—
19	8	Paringa M&Ex 5p	12½	.....	—	—	—
555	345	Peko-Wallsend 50c	442	-3	Q15c	4.0	2.1
164	85	Westn. Mining 50c	85	.....	Q6c	1.4	4.4
75	35	Whim Creek 20c	35	.....	—	—	—

TINS

High	Low	Stock	Price	+or —	Div. Net	Cvr	Y'ld Gr's
39	18	Amal. Nigeria	28	.....	2.51	1.6	13.6
395	240	Ayer Hitam $M1	275	.....	Q41.7c	0.9	32.6
57	25	Beralt Tin	52	.....	3.75	2.3	10.9
260	155	Berjuntai $M1	220	.....	†Q60c	φ	‡
570	260	Geevor	495	-5	18.05	3.4	5.5
13	8	Gold & Base 12½p	9	.....	—	—	—
325	190	Gopeng Cons.	255	-5	15.0	0.9	8.9
150	72	Hongkong	150	.....	—	—	—
100	60	Idris 10p	88	-2	7.5	φ	12.9
11	7	Jantar 12½p	11	.....	—	—	—
85	30	Kamunting $M0.50	69	.....	ZQ15.5c	0.7	4.8
490	260	Killinghall	450	.....	Q125	φ	27.8
410	217	Malay Dredging $M1	300	.....	Q95.5c	0.8	6.8
49	40	♦Pahang	49	.....	†Q2.5	0.5	5.1
70	50	Pengkalen 10p	53	.....	6.5	1.3	18.6
215	133	Petaling $M1	173	+3	mQ12½c	10.9	1.6
90	35	Saint Piran	56	.....	g1.99	4.6	5.4
73	55	South Crofty 10p	55	-1	‡4.12	1.5	10.4
210	77	South Kinta $M0.50	150	.....	tQ77.8c	1.4	11.1
305	148	Sthn Malayan $M1	250	.....	tQ131.3c	1.1	11.3
160	57	Sungei Besi $M1	155	+2	ZQ10c	—	3.4
64	19	Supreme Corp. $M1	64	.....	4.5	φ	7.0
102	42	Tanjong 15p	98	.....	Q56.67%	1.6	14.4
95	45	Tongkah Hrbr. $M1	85	+5			
203	93	Tronoh $M1	173	.....	ZQ30c	2.0	3.7

COPPER

High	Low	Stock	Price	+or —	Div. Net	Cvr	Y'ld Gr's
198	70	Messina R0.50	70	-2	‡Q30c	1.9	‡

MISCELLANEOUS

High	Low	Stock	Price	+or —	Div. Net	Cvr	Y'ld Gr's
9½	9	Burma Mines 17½p	9	.....	—	—	—
115	58	Colby Mines $C1	71	+4	—	—	—
600	225	Cons. Murch. 10c	240	.....	Q30c	φ	7.5
475	250	Northgate C$1	252	+2	—	—	—
247	169	R.T.Z.	169	-2	t8.5	q3.1	7.6
70	28½	Sabina Inds. C$1	35	.....	—	—	—
£14¼	800	Tara Exptn. $1	844	+13	—	—	—
55	39	Tehidy Minerals 10p	45	.....	1.21	2.5	4.1
160	120	Yukon Cons. C$1	120	.....	Q7c	φ	3.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	.....
Ash Spinning	43	+1
Bertam	15	.....
Edg'wtr Est. 50p	277	.....
Clover Croft	22	.....
Craig & Rose £1	400	.....
Dyson (R.A.)	40	.....
Ellis & McHdy	68	.....
Evans Fr'k 10p	15½	.....
Evered	47	.....
Fife Forge	20	.....
Finlay Pkg. 5p	190	+10
Graig Ship £1	80	.....
Higsons Brew	150	.....
I.O.M. Stm. £1	245	.....
Holt (Jos.) 25p	57	-3
Nthn. Goldsmith	132	.....
Pearce (C. H.)	17	.....
Peel Mills	47	.....
Sheffield Brick		.....
Sheff. Refrshmt.	51	.....
Shiloh Spinn.	19	.....
Sindall (Wm.)	85	.....

IRISH

Conv. 9% '80/82	£96	-⅛
Alliance Gas	85	.....
Arnott	275	-10
Carroll (P.J.)	95	.....
Clondalkin	86	.....
Concrete Prods.	115	.....
Heiton (Hldgs.)	49	.....
Ins. Corp.	140	.....
Irish Ropes	130	.....
Jacob	57	.....
Sunbeam	32	.....
T.M.G.	178	-17
Unidare	71½xd	.....

OPTIONS
3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	23	Tube Invest.	30
A.P. Cement	18	"Imps"	7	Unilever	40
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	10	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	5	Woolworths	6
Beecham	38	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3½
Bowaters	16	Lex Service	7	Cap. Counties	5
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lots"	5	Intereuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	18
Burton 'A'	13	Lonrho	7	MEPC	12½
Cadburys	5	Lucas Inds.	25	Peachey	10
Courtaulds	10	Lyons (J.)	13	Samuel Props.	10
Debenhams	10	"Mams"	7	Town & City	2
Distillers	13	Mrks. & Spncr.	11	**Oils**	
Dunlop	8½	Midland Bank	25	Brit. Petroleum	35
Eagle Star	11	N.E.I.	20	Burmah Oil	7
E.M.I.	18	Nat. West. Bank	22	Charterhall	3½
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	10	Ultramar	22
Glaxo	40	Plessey	9	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	18	Rank Org. 'A'	18	Cons. Gold	20
Guardian	18	Reed Intl.	14	Rio T. Zinc	16
G.K.N.	22	Spillers	4		
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Tuesday February 28 1978

Begin rejects Egypt plan to end deadlock

BY DAVID LENNON

TEL AVIV, Feb. 27.

ISRAEL MOVED closer to open confrontation with the U.S. to-day when Mr. Menahem Begin, Prime Minister, rejected Egypt's latest proposals for resolving the deadlock on the peace talks amid signs of a growing split within the Israeli Cabinet.

Mr. Begin told Mr. Alfred Atherton, U.S. Assistant Secretary of State, that some of Egypt's proposals for a joint declaration of principles for a peace agreement were unacceptable.

There are signs that Israel's coalition Cabinet is now divided into two camps over the crucial issue of Israel's settlements in the occupied territories.

The Cabinet decided yesterday that, while Israel would carry out previously-approved decisions on settlements, no new projects would be adopted at this stage.

To-day Mr. Ariel Sharon, Agriculture Minister, who is charged with implementing the policy, came under fire from some members of the ruling Likud party—including several Ministers. Mr. Sharon heads those in the Cabinet who support a hard-line policy on settlements, a group which includes Mr. Moshe Dayan, the Foreign Minister.

Mr. Ezer Weizman, who with Mr. Yigal Yadin, Deputy Prime Minister, heads the opposition to such a policy, said to-day he was only 80 per cent. satisfied with the Cabinet's decision.

Mr. Begin complained that Egypt had toughened its demands in its latest proposals, but said there was reason to assume that the negotiations would continue.

Israel refused to consider either total withdrawal from occupied land or establishment of a Palestinian state, he said.

Mr. Atherton said that the Prime Minister had given his concrete suggestions for the text of the declaration of principles which he would take to Cairo to-morrow. Mr. Atherton expected to be back in Jerusalem on Thursday "to continue the process of trying to reach agreement on a common text."

Although he admitted that the gap between Egypt and Israel remained wide, the U.S. mediator said he had not heard the word "reject" from either side.

● Dr. David Owen, Foreign Secretary, to-day produced a new interpretation of Israel's settlement policy in the occupied Arab territories.

He said at the end of a two-day visit to Israel that if the settlements were seen as "little lumps of Israel" they caused immense problems. If they were viewed as examples of Jews and Arabs living together, this cast a different light on them.

Other Middle East news Page 3

Engineering pay talks founder

BY CHRISTIAN TYLER, LABOUR EDITOR

NEGOTIATIONS FOR a new national pay agreement for the engineering industry broke down last night, largely due to the restrictions of the Government's incomes policy.

The outline of an agreement on new minimum rates, which would ultimately affect 2m. workers, was almost settled. But the talks collapsed after the employers insisted that the new rates could not be implemented until the anniversary of factory-level deals.

This was to prevent the members of the Engineering Employers Federation falling foul of the 10 per cent. earnings limit. Because of the industry's two-tier bargaining system national rates count mainly towards premium and holiday pay, but earnings are determined through the year at local level.

Mr. Hugh Scanlon, leading the negotiations for the Confederation of Shipbuilding and Engineering Unions, said that the conditions attached to the new rates were such as to make them "almost meaningless."

Following this unexpected setback, the Confederation's executive is to meet on Friday and make recommendations for the executives of the 19 unions in the Confederation.

During day-long negotiations the employers improved their pay offer and agreed to a new skilled rate of £57 a week from March and £60 from August, subject to local pay anniversaries.

Mr. Geoffrey Hawkings, the employers' federation's new president, said afterwards that it had been made clear all along that members could not be exposed to the threat of Government sanctions for breaching the pay guidelines. About half the 6,000 member-companies had still to settle under the present pay rules.

Agreement had been reached on holiady pay, however, he said. The unions had accepted phased abandonment of the time-and-a-third calculation for holiday pay to move to an average earnings basis. In the interim there would be a minimum entitlement of £70 a week rising to £80 a week from next year.

The last full national agreement in the industry was signed in 1975. Basic rates for skilled men were set at £42 from February, 1976, while average earnings for 40 hours a week are currently £66, or £73 with overtime. The unskilled basic rate is £33.60, with average earnings of £44.72 or £57 with overtime.

THE LEX COLUMN

U.S. underwriting profit for CU

Commercial Union is back on an even keel. Its U.S. underwriting experience at the start of 1977, was still significantly worse than the industry average: the first quarter operating ratio was 107.4 per cent., and the run down of the group's cancelled business was still causing problems. For the final three months, in contrast, its figures compare favourably with any that have been reported to date. The operating ratio improved to a little under 90 per cent. in the latest period, which means that the U.S. has produced a modest profit for the year as a whole, compared with a loss of £26.8m. in 1976.

As a result, overall underwriting losses have been cut from £59.8m. to £20.9m., and pre-tax profits have more than doubled to £99.8m. Further significant growth in profits is already visible for the current year.

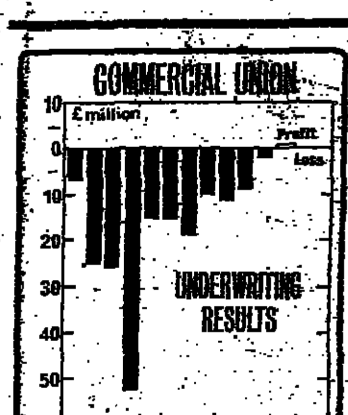
Behind this remarkable performance in the U.S. is a swing to substantial profits on the property account. The motor business, too, has moved into the black, and only the workmen's compensation classes are still causing trouble, with an operating ratio of nearly 110 per cent. Although it is going to be harder to get rate increases approved with profits running at this level, CU says that it has only heard the faintest whispers of increasing rate competition. The hope is that U.S. companies will be restrained by the fact that their capital base has still not recovered from the damage inflicted at the bottom of the last cycle.

Other territories, in particular Australia, are now looking much less stable. But CU's business here has been reshaped since the enormous losses of 1975. Elsewhere the U.K. and Canada are more or less holding their own, and there is a chance that Holland's losses of £15.6m. will be cut back somewhat during 1978.

So at this admittedly early stage, it is possible that underwriting losses could fall by a half or more this year. With a further rise in investment income, overall profits could rise to over £130m. pre-tax.

However, the improvement on last year's earnings per share (19.4p) may be a more modest 10 per cent. or so as a result of the rights issue. Other companies in the sector could be growing at twice that rate. And although CU's dividend yield is an above average 8.4 per cent., its dividend cover is well below most of its rivals. So unless General Accident and Royal produce something unexpected with their figures later this week, CU's shares appear to be up with the game.

Index fell 2.4 to 441.8



Reed International

Reed's Canadian losses of $C20m. are exactly as forecast at the operational level, but the further substantial provisions of as much as $C46m. in respect of extensive planned surgery must be more than most observers had feared. Reed Paper, Reed International's Canadian subsidiary, has had a third of its shareholders' funds sliced away in one year—and this is a company which accounted for a quarter of the parent's capital employed a year ago.

Reed International points out that it is making profits everywhere else. But with no tax relief available elsewhere against its Canadian losses, and with further exceptional debits likely to be added to the Canadian write-offs, the total attributable loss after extraordinary items could easily be of the order of £20m. And that is before charging a final dividend, which now looks a dead duck.

So the hard-pressed Reed group is facing some reduction in its equity base at the forthcoming March 31 balance sheet date (with overseas subsidiaries consolidated three months in arrears) although part of the provisions reflect write-downs of goodwill, which stood at a massive £184.7m. in the last accounts. It is possible, too, that debt will be usefully lower after recent asset disposals though the South African sale may well not be completed in time. Canadian debt has risen in dollar terms—from $C180m. to over $C200m.—but this will ... ally look lower after conv... at this year's sterling rate.

The key question ... is whether the Can... haemorrhage has ... stemmed. The $C20m. ... divided into $C13.7m. fro... tinuing operations and $C... from activities now to be ... or sold. The claim is tha... the continuing businesse... either prosperous, like ... newsprint mill, or like ... Dryden pulp mill and ... packaging side will grad... respond to management a... Market prices for pulp ... actually slipped lower sti... quarter to some $300 a ... however, and further loss... Canada are inevitable if ... depression of prices conti...

The Reed Board argues ... the worst has now been ... and the Canadian busines... gradually return to the ... weathering a reduced loss ... year. The suggestion ... acceptable profitability is ... not possible in the current ... of the Canadian econom... however, a reminder of ... dangers.

Regional Properties

Last April the Friends P... dent Life Office stepped ... help the Land and Pro... Corporation after it had ... into trouble with its ove... borrowings. And yester... deal with Regional Prope... has a slightly similar fla... Regional had around half ... debt due for repayment in ... and Provident's decision to ... scribe for an £8m. 8¼ per ... convertible mortgage deben... stock 1987/90 has enabled ... roll this over for another t... years and put its finances ... much sounder footing.

In return, Provident e... end up with close to 40 per c... of the capital. But the terms ... far less onerous than m... have been negotiated just ... months ago. Provident is pay... a significant premium over ... night's price for the 0.... Ordinary shares and 0.7m. ... shares it is buying in addi... and the 8¾ per cent. coupon ... the debenture stock compa... with yields of over 12 per c... at the long end of the gilt ed... market.

These proposals are subje... shareholders' approval and ... Life company will not be vot... its shares at the relevant me... ing. As with Wilkinson Mat... controversial deals with Al... heny, this matter is quite rig... no concern of the Takeo... Panel.

Shell may reduce output of Rotterdam refinery

BY CHARLES BATCHELOR IN AMSTERDAM AND RAY DAFTER IN LONDON

ROYAL DUTCH/SHELL may have to reduce the operating capacity of its Pernis refinery in Rotterdam, the largest in the group, by nearly two-thirds.

Shell told the works council at the 26m. tons-a-year refinery that, unless operating costs were contained, the group would stop selling products in the competitive export market. This would mean that the refinery would be working primarily for the Dutch domestic market, with a throughput of around 10m. tons a year.

Pernis represents 10 per cent. of the group's total refining capacity. News of a possible further reduction in Rotterdam's role as a major refinery centre comes only a few days after British Petroleum said it would close its refinery there for at least two months.

Compared with the 22m. tons-a-year throughout needed for profitable trading, the Pernis refinery's output reached only 17.8m. tons last year. Shell does not now expect to achieve the 17.5m. tons-a-year throughput forecast for this year.

However, it has no firm plans to trim throughput to 10m. tons a year. It is to bring back into operation an old 3.5m. tons-a-year unit while a more modern unit, with 7.5m. tons-a-year capacity, is taken out of service for six weeks' maintenance.

Shell's Dutch refining and chemicals activities made an overall loss of Fls.145m. (£34m.) last year on a turnover of Fls.2.3bn.

Partly to blame, according to the company, are the Netherlands' high wage costs compared with West Germany and France. The company is just starting this year's round of wage negotiations and faces a union demand for five- instead of four-shift working.

In addition, demand is poor because of the unfavourable situation of the West European textile and metal industries. West European chemical companies face strong competition from East European and American imports. Shell foresees no improvement in the short term.

Proposals

EEC Energy Commission proposals to resolve the refinery over-capacity problem in Europe will almost certainly be opposed by the British Government, following a meeting in London yesterday between Mr. Anthony Wedgwood Benn, Energy Secretary, a Trades Union Congress delegation and four leading oil companies.

The Commission wants restrictions on financial aid to new refinery projects and the formulation of targets for refinery throughputs. This year, for instance, it has been suggested that refiners should keep production levels at no more than 2 per cent. over last year's figure.

It also wants oil plant to be closed down. The aim is to reduce the Community's 60m. tons a year of surplus refining capacity.

At yesterday's meeting, only the French Total group favoured the Commission's proposals. Shell, Esso and British Petroleum said that measures to rectify the refinery problems should be left to individual companies and this was already being done.

The TUC was represented by the Transport and General Workers' Union, the Association of Scientific, Technical and Managerial Staffs, the General and Municipal Workers' Union and the Amalgamated Union of Engineering Workers.

In a joint statement, they said that the EEC proposals were "unworkable and nonsensical": they were also contrary to U.K. industrial strategy and job security.

They called for more discussion and urged Mr. Benn to postpone a decision on the refinery issue, due to be debated at the next meeting of the EEC Energy Ministers on March 21.

Mr. Benn has already told the Commons that he is not prepared to see decisions about Britain's refineries taken in Brussels or elsewhere. His view has been strengthened by yesterday's meeting in spite of the European Commission's undertaking to give formal blessing to two new U.K. refineries.

The concession, relating to Cromarty Petroleum's complex at Nigg Bay in Scotland, and Occidental's partly-built unit on Canvey Island in the Thames Estuary, was proposed last week in an attempt to gain British Government support for the EEC refinery plans.

Oilfields may not be developed, Page 5
Middle East oil for U.K., Page 6

BSC and Leyland aid angers Tories

BY IVOR OWEN, PARLIAMENTARY STAFF

TORY MPs reacted angrily in the Commons yesterday when Mr. Eric Varley, the Industry Secretary, disclosed that the Government was preparing the way to make further substantial sums of public money available to the British Steel Corporation and British Leyland.

He announced that a Bill would be introduced after Easter extending the borrowing powers of BSC beyond the present limit of £4bn., and indicated that less restrictive conditions were likely to be attached to the next injection of public money into British Leyland.

Mr. Varley, who met renewed Tory demands that both he and Mr. Gerald Kaufman, the Industry Minister of State, should resign, was involved in another bitter clash over the £520m. loss expected to be incurred by BSC in the current year.

He stuck to the position that criticism expressed in three select committee reports must await the normal procedure of a considered Government reply in a White Paper.

While Sir Keith Joseph, shadow Industry Minister, endorsed the select committee's demands for an early two-day debate on the steel industry, Mr. Varley refused to go beyond offering a statement before Easter and envisaging a wider discussion later on the new borrowing powers Bill.

In strenuously denying charges that either he or Mr. Kaufman had made misleading statements, he declared that they had been "uterly forthright with the House and with the select committee."

Mr. Kaufman came under particularly heavy fire, with Tory backbench charges supported by Sir Keith, who said the Minister of State had misled the House by referring to an upturn taking place "when he knew that an upturn was not taking place."

Mr. Varley replied that the attack on Mr. Kaufman was unfair and based on hindsight.

Tory MPs made it clear later that they feared that the new legislation might not only increase the borrowing powers of BSC but include provision for writing off some of the debt which Mr. Varley admitted stemmed from retention of old and losing steel plants kept in operation to honour Labour's election pledge to avoid steel redundancies.

Agreement

Mr. Varley said these commitments would be varied only by agreement with the unions concerned. Negotiations were taking place and "some progress" had been made.

There were immediate protests from the Tory benches when Mr. Varley underlined his view that the next injection of public money into British Leyland should not be accompanied by specific conditions relating to productivity and other issues.

He avoided a direct reply when Sir Keith asked: "Are you saying that if more money is requested from the British taxpayer for British Leyland it is to be given without any conditions?"

Mr. Varley explained that there was no doubt that British Leyland would require more public finance. The precise amount would be decided by the Government in the light of recommendations by the National Enterprise Board on British Leyland's corporate plan.

He stated firmly that the best results could not be obtained by submitting British Leyland to "great moments of drama" as judgments were made about whether certain aspects of its performance justified provision of more public money.

Parliament, Page 8

West officials begin talks on growth strategies

BY ROBERT MAUTHNER

PARIS, Feb. 27.

SENIOR OFFICIALS from the main Western industrialised countries began a two-day meeting here to-day to discuss a new strategy for concerted growth which would no longer place all the onus on the strongest economies.

The officials, who cannot take any final decisions, are preparing the ground for the annual meeting of OECD Foreign and Finance Ministers in June and the Western Economic summit in Bonn the following month at which, it is hoped, an agreement can be reached on the new scheme to boost the world economy.

The Secretariat presented the officials with two strategies. Under the first the OECD area's combined GNP would be boosted by a further 0.8 per cent. a year as the result of a stimulation of demand by 1 per cent. of GNP by each of the five strongest economies excluding the U.S.—Japan, West Germany, Switzerland, Belgium, and the Netherlands.

The U.S. is not included in this group because it is already felt to have boosted demand sufficiently and because further expansionary action would increase its already substantial payments deficit.

The Secretariat admits however that the "five" acting by themselves would not provide a big enough stimulus to achieve the 5 per cent. growth target which it has set for the OECD area.

It is therefore suggested that the so-called "convalescent countries" — the U.K., France, Italy and possibly Sweden — should make a simultaneous but relatively moderate effort to bost their economies.

This stimulus, however, should be big enough only to maintain their current-account balances at their present levels.

In other words, it should cancel out the improvement in their balances of payments which would take place if they took no stimulatory action while the stronger economies expanded.

The advantage of such co-ordinated steps would be to persuade countries such as West Germany and Japan, which so far have resisted giving a stronger boost to their economics, to drop their reservations.

At to-day's meeting, Mr. Charles Schultze, chairman of President Carter's Council of Economic Advisors, was elected chairman of the OECD Economic Policy Committee, in succession to Sir Douglas Allen, who retired as Head of the Civil Service at the end of 1977.

Sir Douglas Wass, Permanent Secretary to the Treasury, was elected vice-chairman of the committee.

OECD forecasts bank lending rise

BY MARY CAMPBELL

MEDIUM and long-term international lending by banks will rise again this year but activity on the bond markets will fall back sharply, according to the latest forecasts by the Organisation for Economic Co-operation and Development (OECD).

Oil exporting countries are expected to increase their bank borrowing more than other groups this year, the OECD says. It suggests they could raise their borrowing from last year's $6.3bn. to $8bn. to $9bn.

Venezuela, Iran, and Nigeria are expected to be the main borrowers while the Gulf states may borrow less than last year.

The OECD forecasts a further widening of the gap between U.S. dollar interest rates and those in strong currency countries, largely through further falls in D-mark and Yen, against a recent background of stable U.S. dollar rates.

In the latest issue of Financial Market Trends, the OECD forecasts that medium-term international bank loans will rise $36bn. to $38bn. this year from last year's $33.3bn. These loans ran at an annual rate of $52bn. in the first six weeks of this year, but the OECD does not expect this to continue.

Forecasts for international bond issues cover only the first half of this year, but unless there is a big turnround on the foreign exchange markets, the OECD predicts Eurobond issues worth $6bn. to $7bn. (an annual rate of $12bn. to $14bn.).

This is a sharp fall from last year's $18.4bn. and an even bigger fall from the $10bn. worth of issues in the first half of last year.

Issues by foreign borrowers on domestic bond markets, which have been running at the record rate of $18bn. a year in the last two months, are expected to fall off again due to investors "disenchantment" with the dollar. OECD forecasts issues at an annual rate of $14bn. to $15bn. in the first half compared with $13.9bn. in 1977.

These forecasts for the bond markets are based on the assumption that the dollar remains weak—its recovery would prompt the OECD to increase its figures.

The Eurosterling bond market is expected to be able to absorb the equivalent of $100m. worth of new issues per month without serious problems, "provided that it is given the time to digest the previous issues and that issue terms are kept in line with conditions on the gilt-edged market."

International Company News, Page 25

National Front warned by Rees

BY RICHARD EVANS, LOBBY EDITOR

MR. MERLYN REES, the Home Secretary, faced with a Conservative attack yesterday on the Government's "soft" handling of law and order, warned the National Front against creating disturbances in the forthcoming by-election at Lambeth Central, which includes Brixton.

He told MPs that he proposed to take "very seriously" threats during the Ilford North campaign by National Front leaders, but did not intend to seek changes in the Public Order Act.

It was right that decisions on the banning of marches should be taken by Sir David McNee, the Metropolitan Police Commissioner, or by chief constables, rather than by the Home Secretary, although he was clearly involved in giving advice.

Mr. Rees said in his warning to the National Front that if it was making threats against the community: "Watch it, because at the end of the day the mass of the people will decide that there is going to be peace in the streets."

After an attack by Mr. William Whitelaw, Conservative deputy leader, for his "astonishing complacency" toward law and order, Mr. Rees complained that before a General Election or by-elections the Tories tried to give the impression that only they were concerned with law and order. This was unhelpful and untrue.

Mr. Whitelaw, in a debate that showed the Conservatives intended to press for greater support for the police and tougher penalties in the courts, suggested an experimental institution should be set up on "Army glasshouse" lines.

The programme he urged the Home Secretary to follow involved giving the police unstinted backing and support in an effort to improve morale and to stop early resignations of experienced officers.

Judges and magistrates should be given the widest range of penalties so that punishment could fit the crime, and the basic problems of the prison service should be tackled.

Mr. Rees denied a claim by Mrs. Thatcher at the week-end that there were fewer police in service now than some years ago.

He said that law and order services would be doing better as a proportion of public expenditure in 1978-79 than in 1973-74, and that there were 7,500 more police officers at the end of last year than at the end of March 1974.

● Mr. Martin Webster, National Front activities organiser, said last night he was "appalled" that the Home Secretary, whose duty it was to see that all nominated candidates should be able to go about their business without let or hindrance, should seek on behalf of the Government to intimidate the candidate of a minority party.

Parliament, Page 8; Society To-day, Page 19

Weather

U.K. TO-DAY

BRIGHT intervals. Mild.

London, S.E., E. and N.E. England, E. Anglia, Borders
Sunny intervals, scattered showers. Max. 10-11C (50-52F).

Cent. Southern, N.W. and Cent. Northern England, Midlands, Channel Isles
Sunny intervals, rain later. Max. 10-11C (50-52F).

S.W. England, Wales
Bright intervals, outbreaks of rain. Max. 10-11C (50-52F).

Lake Dist., Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Bright intervals, occasional rain. Max. 9-10C (48-50F).

Edinburgh, Dundee and Aberdeen areas, Cent. Highlands
Cloudy, occasional rain. Max. 8C (46F).

Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland
Bright intervals, rain later. Max. 6-7C (43-45F).

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	C	12	54	Luxembg.	C	8	46
Athens	S	17	63	Madrid	R	10	50
Bahrain	C	19	66	Manchstr.	C	10	50
Barcelona	S	17	63	Melbourne	F	32	90
Beirut	F	18	64	Milan	F	8	46
Belfast	C	7	45	Montreal	[illegible]	−4	[illegible]
Belgrade	F	17	63	Moscow	C	[illegible]	[illegible]
Berlin	S	13	55	Munich	[illegible]	[illegible]	[illegible]
Birmghm.	C	10	50	Newcastle	[illegible]	[illegible]	[illegible]
Bristol	C	11	52	New York	S	[illegible]	[illegible]
Brussels	C	13	55	Oslo	C	−1	30
Budapest	C	8	46	Paris	S	10	50
B. Aires	C	28	82	Perth	F	26	79
Cairo	S	21	71	Prague	F	6	43
Cardiff	C	6	48	Reykjavik	[illegible]	[illegible]	[illegible]
Chicago	C	−6	21	Rio de J'o	S	30	86
Cologne	C	12	54	Rome	F	17	63
Copnhgn.	C	1	34	Singapore	R	30	86
Dublin	R	9	48	Stockholm	C	[illegible]	[illegible]
Edinburgh	C	7	45	Strasbrg.	F	12	54
Frankfurt	[illegible]	13	55	Sydney	F	19	66
Geneva	R	8	46	Tehran	C	16	61
Glasgow	C	7	45	Tel Aviv	F	17	63
Helsinki	C	−2	28	Tokyo	C	11	52
H. Kong	S	21	70	Toronto	Sn	−2	28
Jo'burg	C	26	79	Vienna	R	11	52
Lisbon	F	15	59	Warsaw	S	4	39
London	C	10	50	Zurich	[illegible]	2	36

HOLIDAY RESORTS

Ajaccio	C	16	61	Las Plms.	C	21	70
Algiers	F	23	73	Locarno	C	7	45
Biarritz	C	13	55	Majorca	S	16	61
Blackpool	C	10	50	Malaga	F	18	64
Bordeaux	C	12	54	Malta	S	19	66
Boulogne	R	9	48	Nairobi	S	24	75
Cape Tn.	S	26	80	Naples	F	13	55
Corfu	F	16	61	Nice	C	10	50
Dubrovnik	F	14	57	Nicosia	F	19	66
Faro	S	17	63	Oporto	R	13	55
Funchal	C	17	63	Rhodes	F	17	63
Gibraltar	F	17	63	Salzburg	S	13	55
Guernsey	C	9	48	Tangier	C	16	61
Innsbruck	S	9	48	Tenerife	C	14	57
Inverness	F	9	48	Tunis	F	23	73
Is. of Man	C	9	48	Valencia	C	17	63
Istanbul	C	15	59	Venice	S	10	50
Jersey	R	10	50				

S—Sunny. C—Cloudy. F—Fair. Fg—Fog. R—Rain.

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